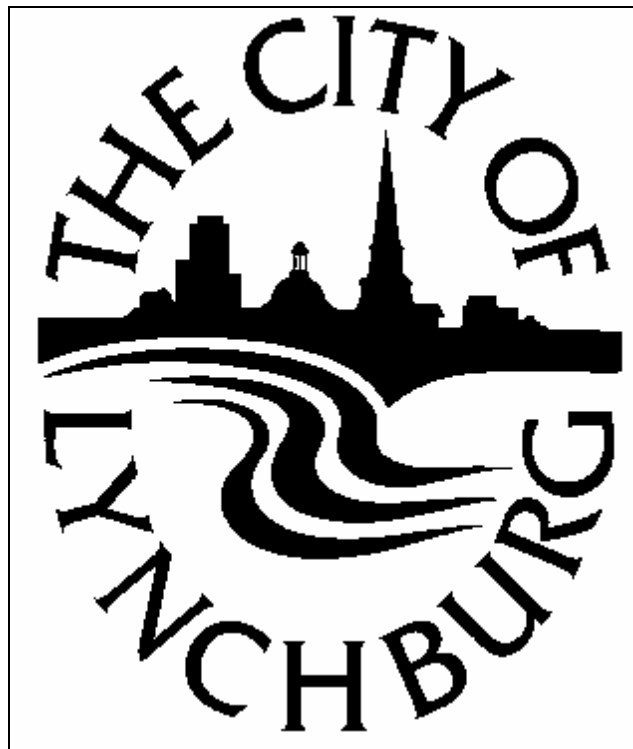


PROJECT MANUAL
FOR
CITY OF LYNCHBURG

LYNCHBURG HISTORIC DISTRICT'S STREETS'
PRESERVATION
CABELL STREET RESTORATION

CITY PROJECT NO. T0074
ENGINEERING PROJECT NO. 03071-R

June 2006



PROCUREMENT DIVISION
3RD FLOOR CITY HALL
900 CHURCH STREET
LYNCHBURG, VA 24504
TELEPHONE (434) 455-3970
FAX (434) 845-0711

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ADVERTISEMENT FOR BIDS

Sealed bids for "CABELL STREET RESTORATION", will be received by the City of Lynchburg, Procurement Division, City Hall, Lynchburg, VA, until 3:00 p.m., Wednesday, July 12, 2006, and then publicly opened and read, in the Bidder's Room, Third Floor, and City Hall.

This project consists of provision of all labor & equipment to restore to original condition the historic brick pavers in five blocks of Cabell Street in the City of Lynchburg. The existing brick roadway shall be restored by replacing any missing or damaged bricks (material supplied by the city) and resetting the original bricks where excessive settling has occurred. In addition, the sidewalks in the effected area shall be repaired by leveling any uneven joints and replacing any missing material (material supplied by the city). Handicap ramps shall also be fashioned at each corner in accordance with the applicable notes on the drawing. Project includes maintenance of one-way traffic along the project area during the construction period; in addition the Contractor shall maintain access to and from all residences on Cabell Street.

Plans, Specifications and Contract Documents are open to public inspection at the office of the City Engineer, 2nd Floor, 900 Church Street, City Hall, Lynchburg, VA. Contract Documents, including Plans and Specifications may be viewed and printed directly from the City's website at www.lynchburgva.gov.

An optional pre-bid conference and site visit will begin at 10:00 a.m., Thursday, June 29, 2006, in the Second Floor Training Room, City Hall, Lynchburg, VA.

All requests for clarification or additional information shall be made to Stephanie Suter, Procurement Division, by facsimile (434) 845-0711 or e-mail stephanie.suter@lynchburgva.gov.

BID FORM

Stephanie Suter
Buyer-Procurement Division
City of Lynchburg
Third Floor, City Hall
900 Church Street
Lynchburg, Virginia 24504

Dear Ms. Suter:

The undersigned, as bidder, hereby declares that the only persons interested in this bid as principal, or principals, is or are named herein and that no person other than herein mentioned has any interest in this bid or in the Contract to be entered into; that this bid is made without connection with any other person, company, or parties making a bid; and that it is in all respects fair and in good faith without collusion or fraud.

The undersigned, having visited and examined the sites and having carefully studied all drawings and specifications pertaining to "CABELL STREET RESTORATION" for the City of Lynchburg, Virginia, hereby proposes to furnish all labor, equipment, materials, and services and to perform all operations necessary to execute and complete the work required for the project, in strict accordance with the City of Lynchburg Manual of Specifications and Standard Details, 10/2005, together with Addenda Numbered _____ issued during bidding period and hereby acknowledged, subject to the terms and conditions of the agreement for the sum of

_____ DOLLARS

(\$ _____) which shall be referred to hereinafter as the Base Bid.

It is understood and agreed that the Owner, in protecting its best interest, reserves the right to reject any or all bids or waive any defects in favor of the City. Any changes, erasures, modifications, deletions in the bid form, or alternate proposals not specified in the bid proposal shall make the proposal irregular and subject to rejection.

Contractors will indicate a unit price for each item listed below. The listed bid items are to contain all necessary costs required for completion of the plans.

It is understood that all quantities listed on the following pages are estimated quantities and the Owner reserves the right to raise, lower, or eliminate any quantity or item, and in any case, the unit prices shall be used in determining partial and final payment. It is further understood that costs to cover all components of the work as described in the drawings and specifications are included in this bid, even in cases where specific line items are not identified.

We are properly equipped to execute all work of the character and extent of the agreement and so covered by this bid, and will enter into agreement for the execution and completion of the work in accordance with the drawings and specifications in this bid; and we further agree that if awarded the contract, we will commence the work on the date stated in the "Notice to Proceed" and will maintain a work force large enough to execute the work and all obligations no later than the completion date stated hereinbefore.

All costs for the project are included in this tabulation.

Enclosed herewith is the following Security, offered as evidence that the undersigned will enter into agreement for the execution and completion of the work in accordance with the drawings, specifications and Project Manual.

Bidder's Bond or Certified Check in the amount of: \$ _____

Bond Issued by or name of Bank: _____

The undersigned hereby agrees, if awarded the contract, to execute and deliver to the City within ten (10) days after his receipt of the Notice of Award, a satisfactory contract bond as required in the amount of one hundred (100) percent of the Base Bid.

The undersigned further agrees that in case of failure on his part to execute the said Agreement within the ten (10) consecutive calendar days after written notice being given on the award of the contract, the monies payable by the Securities accompanying this bid shall be paid to the City of Lynchburg, Virginia, as liquidated damages for such failure; otherwise the Securities accompanying this Bid shall be returned to the undersigned.

Attached herewith are completed Statement of Experience and Statement of Resources forms which include the information requested.

The undersigned further certifies that this bid is not the result of, or affected by, any act of collusion with another person engaged in the same line of business, or any act of fraud punishable under the Virginia Governmental Frauds Act.

This bid is subject to acceptance within a period of 60 days from this date.

Respectfully submitted,

DATE

CONTRACTOR

CURRENT CONTRACTOR'S VIRGINIA REGISTRATION NO.: _____

ADDRESS

TELEPHONE

BY: _____

TITLE: _____

ESCROW ACCOUNT ELECTION

If determined to be the successful low bidder(s), the above signed elects to use the Escrow Account Procedure.

Write "Yes" or "No" on above line

In the event the successful bidder elects to use the Escrow Account Procedure, the "Escrow Agreement" Form shall be executed and submitted to the City of Lynchburg Engineering Division within fifteen (15) calendar days after notification. If the "Escrow Agreement" Form is not submitted within the fifteen-day period, the contractor shall forfeit his rights to the use of the Escrow Account Procedure.

Company_____

Authorized Signature_____

EQUAL OPPORTUNITY REPORT STATEMENT

The Bidder shall complete the following statement by checking the appropriate blank as follows.

The Bidder has _____ has not _____ participated in a previous contract subject to the nondiscrimination clause prescribed by Executive Order 10925, dated March 6, 1961, or Executive Order 11114 dated June 22, 1963.

In conjunction with the City of Lynchburg's policy to utilize Minority and Disadvantaged Business Enterprises wherever possible, the Bidder has solicited quotations for labor, material and/or services from the following:

<u>NAME OF FIRM</u>	<u>PERSON(S) CONTACTED</u>	<u>DATE</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Of those listed above, we intend, at this time, to utilize the following in the completion of the work required by this contract:

"This firm assures that it will give its best efforts to utilize Disadvantaged Business Enterprises whenever possible."

CERTIFIED BY: _____(Signature)
_____(Typed/Printed name & Title)

BIDDER'S NAME: _____

IRS NUMBER: _____

_____This firm shall perform all construction with its own employees and, therefore, is not required to solicit quotations from DBE's.

FAILURE TO DOCUMENT AND REPORT DBE CONTACTS ON THIS FORM MAY BE A BASIS FOR REJECTION OF THE BID AS NONCONFORMING.

STATEMENT OF EXPERIENCE

Proposer: _____

How Long In Business: _____ *At Current Address:* _____

Principals: _____ *Title:* _____
_____ *Title:* _____
_____ *Title:* _____

Type of Work Normally Performed: _____

Projects of this type previously completed:

1. _____
_____ *Amount \$* _____
2. _____
_____ *Amount \$* _____
3. _____
_____ *Amount \$* _____

Reference (for Projects listed above):

1. _____
_____ *Tel.No.* _____
2. _____
_____ *Tel.No.* _____
3. _____
_____ *Tel No.* _____

STATEMENT OF AVAILABLE RESOURCES

Equipment: _____

Number of Personnel Currently Employed: _____

Number of Personnel Available for Project: _____

Other Pertinent Information: _____

CORPORATE STATUS FORM

ALL PROSPECTIVE FIRMS MUST RESPOND TO THE FOLLOWING

If a limited liability company, limited liability partnership or a limited partnership indicate check one: ☐ Limited liability company

☐ Limited liability partnership

☐ Limited partnership

Have you registered with the State Corporation Commission, to conduct business in Virginia? ☐
Yes ☐ No

Name and address of organizer: _____

List who is authorized to execute contracts:

If conducting business under an assumed business name, fill out the following information:

Name of assumed business: _____

Owner's name and address: _____

Registration date: _____ Expires: _____

If conducting business as a sole proprietorship, fill out the following information:

Individual's name liable for all obligations of business: _____

If you are a sole proprietor using an assumed name, please list below:

Registration date: _____ Expires: _____

Questions to Offeror

Offerors are to respond to the following question: Have the individual(s), owner(s), or principal officer(s) of the firm submitting the proposal ever been convicted of a felony or a misdemeanor involving moral turpitude, which would adversely affect the ability to perform the contract?

YES _____

NO _____

If yes, list individual or officer and title and give details.

NOTE: Answering yes to this question will not necessarily exclude your company from consideration but will be used to weigh the relationship between the offense and the contract to be performed.

Is your firm currently involved in litigation which would adversely affect performance on this contract?

YES _____

NO _____

CONSTRUCTION AGREEMENT

This Agreement made and entered into on the ____ day of _____, 2006, by and between _____, party of the first part, hereinafter referred to as Contractor, and the City of Lynchburg, a municipal corporation of the Commonwealth of Virginia, party of the second part, hereinafter referred to as the Owner.

That the Contractor, for the consideration hereinafter fully set out, hereby agrees with the Owner as follows:

1. That the Contractor shall furnish all labor, materials, tools, and equipment and perform all work in manner and form as contained in the Project Manual and Drawings for "Cabell Street Restoration" and all other specifications as referenced in these documents.

2. That the Contractor shall commence work within ten (10) days after Notice to Contractor to Proceed with the work under contract, and shall substantially complete the work no later than 365 calendar days following the issue date of Notice to Proceed. Owner and Contractor recognize that time is of the essence of this Agreement and that the Owner will suffer financial loss if the work is not completed within the times specified in the Notice To Proceed, plus any extensions thereof. They also recognize the delays, expense and difficulties involved in providing the actual loss suffered by Owner if the work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty) Contractor shall pay one hundred and fifty dollars (\$150.00) for each day that expires after the time specified for completion. If the Contractor is subject to liquidated damages the City has the right to withhold the liquidated damages from the Contractor's regular payments or retainage.

3. The Owner hereby agrees to pay the Contractor for the faithful performance of this Agreement subject to additions and deductions as provided in the Specifications or Proposal, in lawful money of the United States, as follows:

_____ Dollars

(\$_____)

4. The Owner shall make partial payment on a monthly basis to the Contractor on the basis of a duly certified and approved estimate of work performed during the preceding calendar month by the Contractor, less five percent (5%) of the amount of such estimate which is to be retained by the Owner until all work has been performed strictly in accordance with this Agreement and until such work has been accepted by the Owner.

5. Upon submission by the Contractor of evidence satisfactory to the Owner that all payrolls, material bills and other costs incurred by the Contractor in connection with the construction of the work have been paid in full, final payment on account of this Agreement shall be made within 90 days after the completion by the Contractor of all work covered by this Agreement and the acceptance of such work by the Owner.

6. It is further mutually agreed between the parties hereto that if, at any time after the execution of this Agreement and Surety Bond hereto attached for its faithful performance, the Owner shall deem the surety or sureties upon such bond to be unsatisfactory, or if for any reason, such bond ceases to be adequate to cover the performance of the work, the Contractor shall at its expense, within five (5) days after the receipt of notice from the Owner so to do, furnish an additional bond or bonds in such form and amount, and with such surety or sureties as shall be satisfactory to the owner. In such event no further payment to the Contractor shall be deemed to be due under this Agreement until such new or additional security for the faithful performance of the work shall be furnished in manner and form satisfactory to the Owner.

7. Contractor agrees to fulfill all requirements of State, Federal, and Municipal laws which may be applicable to this project.

This Agreement is executed in two counterparts, each of which shall, without proof or accounting for the other counterparts, be deemed an original contract.

IN WITNESS WHEREOF, _____ has caused its name to be subscribed to this Agreement by _____, its _____, and its corporate seal to be hereunto affixed and attested by _____, its _____, said officers being duly authorized therefore; and the City of Lynchburg has caused its name to be hereunto subscribed by L. Kimball Payne, City Manager, and its corporate seal to be hereunto affixed and attested by Patricia Kost, its Clerk of Council, said officers being duly authorized therefore, all as to the day and year first above written.

(SEAL)

BY: _____
Contractor

ATTEST:

Title

CITY OF LYNCHBURG

(SEAL)

BY: _____
City Manager

ATTEST:

Clerk of Council

CONTRACT BOND

KNOW ALL MEN BY THESE PRESENTS: That we

(Hereinafter called the Principal) and

(Hereinafter called the Surety) are held
and firmly bond unto the City of Lynchburg, a Municipal Corporation of the
Commonwealth of Virginia (Hereinafter called the Owner) in the penal sum of

DOLLARS
(\$_____) for the payment of which we bind ourselves, our heirs,
executors, administrators, successors, and assigns for the faithful performance of a certain
written contract, dated the _____ day of _____, 2006, entered into
between the Principal and City of Lynchburg, for

(project).

NOW, THEREFORE, the condition of this obligation is such that if the Principal shall faithfully perform the terms and conditions of the contract in all respects on his or its part and shall fully pay all obligations incurred in connection with the performance of such contractor on account of labor and materials used in connection therewith and all such obligations of every form, nature, and character, and shall save harmless the Owner from any and all liability of every nature, kind, and character which may be incurred in connection with the performance or fulfillment of such contract on the part of the Principal or other such liability resulting from negligence or otherwise on the part of the Principal, and further shall save harmless the Owner from all costs and damage which may be suffered by reason of the failure of the Principal to fully and completely perform said contract, and shall fully reimburse and repay the Owner for all expenditures of every kind, character, and description which may be incurred by the Owner in connection with making good any and every default which may exist on the part of the Principal in connection with the performance of said contract; and further that if the Principal shall pay all lawful claims of all persons, firms, partnerships or corporations for labor performed and materials furnished in connection with the performance of the contract (we agreeing that failure so to do shall give such persons, firms, partnerships or corporations a direct right of action against either the Principal or Surety under this obligation, or both said Principal and Surety), then this obligation shall be void, otherwise the same shall remain in full force and effect; it being expressly understood and agreed that the liability of the Surety for any and all claims hereunder shall in no event exceed the penal amount of this obligation as herein stated;

PROVIDED HOWEVER, that this bond is issued subject to the following conditions and privileges:

1. That no suit, action or proceeding by reason of any default whatever on the part of the Principal shall be brought on this bond after one year from the date on which final payment on the contract falls due;
2. That any alterations or additions which may be made under the contract or the work to be done under it or the giving by the Owner of any extension of time for the performance of the Contract, or any other forbearance on the part of either the Owner or the Principal shall not in any way release the Principal and Surety, or either of them, their heirs, executors, administrator, successors or assigns, from their liability hereunder, notice to the Surety of any such alterations, extensions or forbearances being expressly waived.

Executed in two counterparts.

IN WITNESS WHEREOF, _____, the Principal, has caused its name to be hereunto subscribed and its corporate seal to be hereunto affixed and duly attested by its proper officers heretofore duly authorized this _____ day of _____, 20____, and the Surety has caused its name to be hereunto subscribed and its seal affixed by its authorized Attorney-in-Fact.

BY: _____
President

(SEAL)

ATTEST:

Secretary

BY: _____
Attorney-in-Fact

ESCROW AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 20____ by,
between and among the City of Lynchburg ("City"), _____ ("Contractor"),

(Name of Bank)

(Address of Bank)

a trust company, bank, or savings and loan institution with its principal office located in the Commonwealth of Virginia (hereinafter referred to collectively as "Bank"), and

("Surety") provides:

I.

The City and the Contractor have entered into a contract with respect to City.
Project No. and Name: _____ ("the Contract"). This agreement is pursuant to, but in no way amends or modifies, the Contract. Payments made hereunder or the release of funds from escrow shall not be deemed approval or acceptance of performance by the Contractor.

II.

In order to assure full and satisfactory performance by the Contractor of its obligations under the Contract, the City's Director of Finance is required thereby to retain certain amounts otherwise due the Contractor. The Contractor has, with the approval of the City, elected to have these retained amounts held in escrow by the Bank. This agreement sets forth the terms of the escrow. The Bank shall not be deemed a part to, bound by, or required to inquire into the terms of, the Contract or any other instrument or agreement between the City and the Contractor.

III.

The City shall from time to time pursuant to its contract pay to the Bank amounts retained by it under the Contract. Except as to amounts actually withdrawn from escrow by the City, the Contractor shall look solely to the Bank for payment of funds retained under the Contract and paid by the City to the Bank.

The risk of loss by diminution of the principal of any funds invested under the terms of this contract shall be solely upon the Contractor.

Funds and securities held by the Bank pursuant to this Escrow Agreement shall not be subject to levy, garnishment, attachment, lien, or other process whatsoever. Contractor agrees not to assign, pledge, discount, sell or otherwise transfer or dispose of his interest in the escrow account or any part thereof, except to the Surety.

IV.

Upon receipt of checks or warrants drawn by the Director of Finance and made payable to it as escrow agent, the Bank shall promptly notify the Contractor, negotiate the same and deposit or invest and reinvest the proceeds in approved securities in accordance with the written instruction of the Contractor. In no event shall the Bank invest the escrowed funds in any security not approved.

V.

The following securities, and none other, are approved securities for all purposes of this Agreement:

- (1) United States Treasury Bonds, United States Treasury Notes, United States Treasury Certificates of Indebtedness or United States Treasury Bills,
- (2) Bonds, notes and other evidences of indebtedness unconditionally guaranteed as to the payment of principal and interest by the United States,
- (3) Bonds or notes of the City,
- (4) Bonds of any political subdivision of the City, if such bonds carried, at the time of purchase by the Bank or deposit by the Contractor, a Standard and Poor's or Moody's Investors Service rating of at least "A", and
- (5) Certificates of deposit issued by commercial Banks located within the Commonwealth, including, but not limited to, those insured by the Bank and its affiliates,
- (6) Any bonds, notes, or other evidences of indebtedness listed in Section (1) through (3) may be purchased pursuant to a repurchase agreement with a Bank, within or without the City having a combined capital, surplus and undivided profit of not less than \$25,000,000 provided the obligation of the Bank to repurchase is within the time limitations established for investments as set forth herein. The repurchase agreement shall be considered a purchase of such securities even if title, and/or possession of such securities is not transferred to the Escrow Agent, so long as the repurchase obligation of the Bank is collateralized by the securities themselves, and the securities have on the date of the repurchase agreement a fair market value equal to at least 100 percent of the amount of the repurchase obligation of the Bank, and the securities are held by a third party, and segregated from other securities owned by the Bank.

No security is approved hereunder, which matures more than five years after the date of its purchase by the Bank or deposit by the Contractor.

VI.

The Contractor may from time to time withdraw the whole or any portion of the escrowed funds by depositing with the Bank approved securities in an amount equal to, or in excess of, the amount so withdrawn. Any securities so deposited or withdrawn shall be valued at such time of deposit or withdrawal at the lower of par or market value, the latter as determined by the Bank. Any securities so deposited shall thereupon become a part of the escrowed fund.

Upon receipt of a direction signed by the City's Director of Public Works or the City Engineer, the Director of Finance or the City Accountant shall authorize the Bank to pay the principal of the

fund, or any specified amount thereof, to the account of the City of Lynchburg. Such payment shall be made in cash as soon as is practicable after receipt of the direction.

Upon receipt of a direction signed by the City's Director of Public Works or the City Engineer, the Director of Finance or the City Accountant shall authorize the Bank to pay and deliver the principal of the fund, or any specified amount thereof, to the Contractor, in cash or in kind, as may be specified by the Contractor. Such payment and delivery shall be made as soon as is practicable after receipt of the direction.

VII.

For its services, hereunder the Bank shall be entitled to a reasonable fee in accordance with its published schedule of fees or as may be agreed upon by the Bank and the Contractor. Such fee and any other costs of administration of this Agreement shall be paid from the income earned upon the escrowed fund and, if such income is not sufficient to pay the same, by the Contractor.

VIII.

The net income earned and received upon the principal of the escrowed fund shall be paid over to the Contractor in quarterly or more frequent installments. Until so paid or applied to pay the Bank's fee or any other costs of administration such income shall be deemed a part of the principal of the fund.

IX.

The Surety undertakes no obligation hereby but joins in this Agreement for the sole purpose of acknowledging that its obligations as surety for the Contractor's performance of the Contract are not affected hereby.

WITNESS the following signatures, all as of the day and year first above written.

CITY OF LYNCHBURG

CONTRACTOR: _____

BY: _____
City Manager

BY: _____
Officer, Partner, or Owner

(Seal)

INSTRUCTIONS TO BIDDERS

DESCRIPTION OF WORK

This project consists of provision of all equipment, labor, and materials to restore to original condition the historic brick pavers in five blocks of Cabell Street in the City of Lynchburg.

1. General: To be valid for consideration, bids must be completed and submitted in accordance with these instructions to bidders. All individual bid unit price items must be filled in regardless of the quantity shown.
2. Plans and Specifications: The Project Manual and Drawings for the City of Lynchburg, Lynchburg Historic District's Streets' Preservation, Cabell Street Restoration may be obtained from the City Engineer, 900 Church Street, Lynchburg, VA 24504, upon receipt of a non-refundable payment of \$130.00 per set or the manual and drawings may be downloaded from the City's website: <http://www.lynchburgva.gov/home/index.asp?page=981>. The Manual of Specifications and Standard Details for the City of Lynchburg may be obtained upon receipt of a non-refundable payment of \$25.00 per disc or the manual may be downloaded from the City's website: <http://www.lynchburgva.gov/home/index.asp?page=149>. Send non-refundable payment to the above address to the attention of Cheryl Foxx, telephone number (434) 455-3930. Please include complete street address with zip code for use by express delivery agencies as well as complete mailing address with zip code to avoid delay in receiving transmittals. Also include telephone number and fax number with area code.

The successful bidder shall be issued, without charge, five sets of sets of plans and specifications.

Bidding documents will be provided as indicated in the Advertisement.

3. Qualification of Bidders: Each bidder must be prepared to submit within five calendar days of the Owner's request written evidence of their qualifications for the project including financial data, previous experience, and evidence of authority to conduct business in the jurisdiction where the project is located.
4. Examination of Bid Documents and Site:
 - 4.1 Before submitting bids, each bidder must examine bid documents thoroughly; familiarize themselves with Federal, State and local laws, ordinances, rules, and regulations affecting the work; and correlate their observations with requirements of the bid documents.
 - 4.2 Bidders are requested and expected to visit the site of the project to alert themselves to local and special conditions which may be encountered during construction of the project such as: Labor and transportation, handling and storage of materials, the availability of materials, and site access. Failure to make such investigations shall not relieve the successful bidder from performing and completing the work in accordance with the contract documents.
 - a. An optional pre-bid conference will be held at the time and place stated in the Advertisement.

5. Clarification:

- 5.1 No oral clarification of the bid documents will be made to any bidder. To be given consideration, requests for clarification must be received in time to allow preparation of written response at least seven (7) days prior to date fixed for opening of bids. Clarifications will be issued in the form of written addenda to the bid documents and posted to the Procurement Website within five (5) days of the bid opening. Only clarification by formal written addenda will be binding.
- 5.2 All communications in regard to clarifications and any other matters related to this project shall be addressed to: Stephanie Suter, Procurement Division, 900 Church Street, Lynchburg, VA 24504, Fax: 434-845-0711, email: stephanie.suter@lynchburgva.gov.

6. Substitutions:

- 6.1 Substitutions of material or equipment or both may be offered by the Contractor with his bid, provided that, if approved:
- No major changes in the construction or design intent of the project would be required. Changes required to accommodate substituted items shall be made by the Contractor at no additional cost or time delay.
 - Features of quality, capacity, construction, performance, appearance, size, arrangement, and general utility including economy of operation of substitutes offered, either parallel or exceed those of specified products.
 - The provisions of the General Requirements and any other guarantees, if required by the specification sections, shall apply in full force and effect to the performance of such substitute products, approved for incorporation into the Work.
- 6.2 Technical data covering the proposed substitution shall be furnished with the bid when possible, and not later than 10 days after bid submission.

7. Bid Submission:

- 7.1 Submit bids using forms furnished in the Project Manual and fill in all blank spaces on the form. Repeat notation "Contractor's Current Virginia License No. _____" on outside of inner envelope containing bid and bid security, and place this envelope within another envelope addressed to:

City of Lynchburg
Procurement Division
900 Church Street
Third Floor, City Hall
Lynchburg, VA 24504

Bidders shall include the following with their bid submission:

- Bid Form
- Statement of Experience
- Statement of Available Resources
- Equal Opportunity Report Statement
- Corporate Status Form
- Questions to Offeror Form
- Bid Bond

- 7.2 Both the inner and outer envelopes shall have noted thereon:
- a. “Sealed Bid Enclosed for Cabell Street Restoration”;
 - b. Project Number T0074;
 - c. The bidder’s name and address;
 - d. Repeat the notation “Current Registered Virginia Contractor No. __” on the outside envelope.
- 7.3 Each bid must be accompanied by a cashier’s check on a bank satisfactory to the City or a Bid Bond in the amount of five percent (5%) of the amount of the total base bid, made payable to the City, as assurance that the successful bidder will enter into contract within ten (10) days after Notice of Award.
- If the successful bidder default’s by failure to enter into contract and filing applicable bonds, the certified check or Bid Bond accompanying the successful bid shall be collected by the City, not as a penalty but as liquidated damages for delays and such additional expenses as may be incurred by the City for reasons of such default.
- 7.4 Contractors will indicate a lump sum bid for on the bid form. The lump sum bid shall contain all necessary cost required for completion of the project. Any changes, erasures, modifications, or deletions in the bid form, or alternate proposals not specified in the bid proposal shall make the proposal irregular and subject to rejection.
- 7.5 Receipt deadline for bids will be as stated in the Advertisement.
- 7.6 Bids will be opened publicly in accordance with Advertisement.
- 7.7 Withdrawal of bids after date for submission: In accordance with the provisions of sec. 2.2-4330 of the Virginia Public Procurement Act, a bidder will have two business days after the opening of bids within which to claim, in writing, any mistake as defined and withdraw their bid, provided such mistake be proved from the Contractor’s work papers.
- a. Definition: Contractor’s work papers are the original work papers, documents, and materials used in the preparation of the bid as referred to in Section 2.2-4330 of the Virginia Public Procurement Act.
8. Bonds and Damages:
- 8.1 Bonds shall be with a surety company acceptable to the Owner.
 - 8.2 A performance bond and a labor and material payment bond will be required in the amount of 100 percent of the bid.
 - 8.3 Liquidated damages shall be paid as indicated in the Construction Agreement.

9. Award of Contract:

- 9.1 The award of the contract will be the responsible bidder submitting the lowest base bid whose qualifications indicate the award will be in the best interest of the Owner and whose bid meets the prescribed requirements.

Selection of the successful project contractor will include a serious evaluation of whether the competitor has conscientiously attempted to meet DBE goals. A requirement of the contract agreement will be that a genuine concerted effort will be utilized to meet the contract goal.

- 9.2 The Owner reserves the right to reject any and all bids and waive any and all informalities and the right to disregard all conforming, nonconforming, conditional bids or counterproposals.

10. Administrative Appeals Procedure:

Sec. 18.1-6. Alternative policies on protests of award or decisions to award a contract in lieu of Va. code § 2.2-4360 through § 2.2-4362 and Va. code § 2.2-4364.

(a) The following are the exclusive procedures for a bidder or offeror to protest the city's award or decision to award a contract.

(1) Any protest to award a contract shall be in writing and shall be delivered so that it is received by the city manager not later than five (5) business days after announcement of the award or decision to award, whichever comes first. Otherwise any such protest shall be deemed to be waived.

(2) Except for a protest of an emergency or sole source procurement, a protest of a city award or decision to award a contract may only be made by a person who submitted a bid or proposal for the procurement at issue and who was reasonably likely to have its proposal accepted but for the city's decision. In the case of an emergency or sole source procurement, a protest may only be made by a person who can show that he was reasonably likely to have submitted a successful bid or proposal if the procurement had been other than emergency or sole source.

(3) Protests shall only be granted if (1) the protester has complied fully with this Sec. 18.1-6 and there has been a violation of law, the Lynchburg public procurement code, or mandatory terms of the solicitation that clearly prejudiced the protestor in a material way, or (2) a statute requires voiding of the decision.

(4) The city manager shall issue a written decision on a protest within ten (10) days of its receipt by the city manager.

(5) If the protest is denied, the protestor may only appeal the denial or otherwise contest or challenge the procurement by then filing suit in the Lynchburg circuit court, Lynchburg, Virginia, and serving the city with such suit within ten (10) days of such denial. Otherwise, the city manager's decision shall be final and conclusive, and the protestor's right to appeal the denial or to otherwise contest or challenge the procurement shall be deemed to be waived.

(6) The city should defer award of a contract where the decision to award has been protested unless there is a written determination by the city manager that proceeding without delay is necessary to protect the public interest or unless the bid or offer of the prospective awardee would expire.

(7) The validity of a contract awarded and accepted in good faith shall not be affected by the fact that a protest or appeal is filed.

(8) The exclusive relief allowed if a protest is granted is to void the decision being protested. If a contract has already been awarded and performance under the contract has begun, the contract need not be voided if not in the public interest to do so. Under no circumstances will any monetary amount be allowed to the protestor as part of any relief granted.

(9) Strictly following these procedures shall be a mandatory prerequisite for protest of the city's award or decision to award a contract. Failure by a bidder to follow these procedures strictly shall preclude that bidder's protest and be deemed to constitute a waiver of any protest.

(b) A protest may not be based upon the alleged non-responsibility of a person to whom the city awards or makes a decision to award a contract.

End of Instructions to Bidders

GENERAL CONDITIONS

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GENERAL CONDITIONS

ARTICLE 1 CONTRACT DOCUMENTS

1.1 DEFINITIONS

1.1.1 CONTRACT AND CONTRACT DOCUMENTS:

The Contract Documents include the Construction Agreement and its attachments: the City's Invitation for Bid No. 06-338 dated June 2006 and any addenda, the Contractor's bid dated July 12, 2006, the Contract Plans and Specifications and any addenda. Any soils, geotechnical or other reports, surveys and analyses which may be made available to the Contractor for review or information under this Contract, are not adopted by reference into, nor are they part of the Contract Documents.

1.1.2 MODIFICATION:

A Modification is (1) a written Amendment to the Contract signed by both parties (Project Manager for City of Lynchburg and authorized Agent for the Contractor), (2) a written Field Change Order signed by the Project Manager or Owners authorized representative and an Authorized Agent for the Contractor, (Field Change Orders are limited to no more than 25% above the Contract amount originally authorized by the City Manager. Change Orders exceeding this limitation must have the specific approval of City Council.

1.1.3 WORK:

The term "Work" as used herein refers to work at the site of the project, is that normally done at the location of the project and includes all plant, labor, materials, supplies, equipment and other facilities and things necessary or proper for or incidental to the carrying out and completion of this contract. The term "Work" shall be construed to include material suitably stored and protected.

1.1.4 PROJECT:

The Project is the total construction of which the Work performed under Contract Documents may be the whole or a part.

1.1.5 FURNISH, INSTALL & PROVIDE:

The terms "Furnish" or "Install" or "Provide", unless specifically limited in context, mean: furnishing and incorporating a specified item, product or material in the work, including all necessary labor, materials, equipment to perform the work required, ready for use.

1.1.6 EXTRA WORK:

The term "Extra Work" as used herein, refers to and includes work required by the Owner, which, in the judgment of the Owner involves changes in or additions to that required by the drawings, specifications and addenda in their present form.

1.1.7 NOTICE OF AWARD:

The written notice of the acceptance of the Contractor's bid from the Owner to the Successful Bidder.

1.1.8 NOTICE:

The term "Notice" as used herein shall mean and include written notice. Written Notice shall be deemed to have been delivered to:

If to Owner:

Department of Public Works
2nd Floor, City Hall
900 Church Street
Lynchburg, Virginia 24504

Procurement Division
3rd Floor, City Hall
900 Church Street
Lynchburg, Virginia 24504

City Attorney
3rd Floor, City Hall
900 Church Street
Lynchburg, Virginia 24504

If to Contractor:

(Insert Successful bidder name and address)

Delivery shall be by special courier, recognized overnight delivery service, or United States mail. With the exception of original bid documents, facsimile copies and e-mail shall be acceptable if the original is received by special courier, recognized overnight delivery service, or United States mail within three business days.

1.1.9 MISCELLANEOUS WORDS OR TERMS:

Whenever they refer to the work or its performance, "directed", "required", "permitted", "ordered", "designated", "prescribed", and words of like import shall imply the direction, requirements, permission, order, designation or prescription of the Owner and "approved", "acceptable", "satisfactory", "in the judgment of" and words of like import shall mean approved by or acceptable to or satisfactory to or in the judgment of the Owner.

1.2 EXECUTION, CORRELATION AND INTENT OF CONTRACT DOCUMENTS

1.2.1 Two originals of the Construction Agreement, shall be executed.

1.2.2 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work. The Contract Documents are complementary, and what is required by any one shall be as binding as if required by all. Words and abbreviations which have well-known technical or trade meanings are used in the Contract Documents in accordance with such recognized meanings.

1.2.3 Anything shown on the drawings and not mentioned in the specifications or mentioned in the specifications and not shown on the drawings shall have the same effect as if shown or mentioned respectively in both. Technical specifications take priority over general specifications and detail drawings take precedence over general drawings. Any conflict or inconsistency in the drawings shall be submitted by the Contractor to the A/E, with a copy to the Owner. The A/E's decision thereon shall be final. In case of conflict or inconsistency between the drawings and the specifications, the specifications shall govern.

1.2.4 Should any labor or material be required which is not denoted in the drawings and specifications, but which is, nevertheless, reasonably necessary for the proper carrying out of the intent of the Work, it is agreed that the labor or material is implied and the Contractor shall provide such labor and furnish such materials as fully as if they were completely delineated and prescribed without additional cost to the Owner.

1.2.5 The Contractor may be furnished additional instructions and detail drawings to carry out the work included in the Contract. The additional drawings and instructions thus supplied

to the Contractor will coordinate with the Contract Documents and will be so prepared that they can be reasonably interpreted as a part thereof. The Contractor shall carry out the work in accordance with the additional detail drawings and instructions.

- 1.2.6 The drawings and specifications are divided into sections for convenience and clarity only. The Contractor shall not construe this as a division of the work into various subcontractor units. The Contractor may subcontract the Work in such divisions as he sees fit, but he is ultimately responsible for furnishing all work shown on the drawings and in the specifications.
- 1.2.7 The provisions of this Contract cannot be amended, modified, varied or waived in any respect except by a Modification. **The Contractor is hereby given notice that no person has authority to orally waive, or to release the Contractor from any of the Contractor's duties or obligations under or arising out of this Contract.** Any waiver, approval or consent granted by Modification to the Contractor shall be limited to those matters specifically and expressly stated thereby to be waived, approved or consented to and shall not relieve the Contractor of the obligation to obtain any future waiver, approval or consent.

1.3 OWNERSHIP AND USE OF DOCUMENTS

- 1.3.1 All Drawings, Specifications, and memoranda relating to the Work are the property of the Owner and are to be used only for the Project.

1.4 FEDERAL REQUIREMENTS

Contractor agrees, when working on any federally assisted projects with more than \$2,000 in labor costs, to comply with the Contract Work Hours and Safety Standards Act, the Davis-Bacon Act (Section 29, CFR Part 5), the Copeland "Anti-Kickback" Act, and the Equal Opportunity Employment requirements of Executive Order 11246 as amended by Executive Order 11375. In such projects, the contractor agrees to post wage rates at the work site and submit a copy of their payroll to the Mohave member for their files. In addition, to comply with the Copeland Act, the bidder must submit weekly payroll records to the Mohave member. The contractor must keep records for three years and allow the federal grantor agency access to these records, upon demand.

ARTICLE 2 ARCHITECT/ENGINEER

2.1 DEFINITIONS

- 2.1.1 The term Architect/Engineer, hereinafter "A/E" or "Architect" or "Engineer", shall mean the consulting firm or City Department/Division, or their duly authorized representatives, lawfully licensed to practice in Virginia, that is responsible for designing or engineering the work, and performing the activities specified herein.
- 2.1.2 The A/E is referred to throughout the Contract Documents as if singular in number and masculine in gender. The A/E is further described as one of the following:

2.2. ARCHITECT/ENGINEER STATUS

- 2.2.1 The A/E will provide services as described in these General Conditions.
- 2.2.2 The A/E will advise and consult with the Owner. The Owner's instructions to the Contractor may be forwarded through the A/E. The A/E will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents, unless otherwise changed by Modification.
- 2.2.3 The A/E may visit the site at intervals appropriate to the stage of construction to familiarize himself generally with the progress and quality of the Work and to determine in general if the Work is proceeding in accordance with the Contract Documents. The Contractor may not rely on the A/E to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work.
- 2.2.4 The A/E will immediately inform the Owner and Contractor whenever in the reasonable opinion of the A/E any of the Work is proceeding contrary to the requirements of the Contract Documents and will be unacceptable. Such notification by the A/E will not be a cause for the Contractor to claim either delay of the Work or any increase in the Contract Sum.
- 2.2.5 The A/E, the Owner and other governmental representatives shall at all times have access to the Work wherever it is in preparation and progress. The Contractor shall provide facilities for such access so that the A/E, the Owner and other governmental representatives may perform their functions under the Contract Documents.
- 2.2.6 Where applicable, based on the A/E's observations and an evaluation of the Contractor's Applications for Payment, the A/E will recommend the amounts owing to the Contractor and will issue Certificates for Payment in such amounts, as provided in Article 9 Payments and Completion.
- 2.2.7 The A/E will be an interpreter of the requirements of the plans, drawings, and specifications. The A/E will render interpretations necessary for the proper execution and progress of the Work, with reasonable promptness and in accordance with any time limit agreed upon. Either party to the Contract may make written request to the A/E for such interpretations. All interpretations of the A/E shall be consistent with the intent of and reasonably inferable from the plans, drawings, and specifications and will be in writing and/or in the form of drawings.
- 2.2.8 The A/E will recommend to the Owner the rejection of work that does not conform to the plans, drawings, and specifications. Whenever, in his opinion, he considers it necessary or advisable for the implementation of the intent of the Contract Documents, he will have authority to require special inspection or testing of the work in accordance with Subparagraph 7.6.2 whether or not such work be then fabricated, installed or completed.
- 2.2.9 The A/E will review and approve or take other appropriate action upon Contractor's submittals such as Shop Drawings, Product Data, Samples and Manuals, but only for conformance with the design concept of the Work and with the information given in the plans, drawings, and specifications. The A/E approval of a specific item shall not indicate approval of an assembly of which the item is a component.

- 2.2.10 The A/E's acceptance of materials or products on behalf of the Owner shall not bar future rejection of such items if they are subsequently found to be defective or inferior in quality or uniformity to the materials or products specified by the Contract, or if such items are not as represented by the Contractor.
- 2.2.11 As required, the A/E will conduct inspections to assist the Owner in determining the dates of Substantial Completion and Final Completion, will receive and forward to the Owner for the Owner's review written warranties and related documents required by the Contract and assembled by the Contractor, and will recommend final Certificate for Payment upon compliance with the requirements of Article 9 Payment and Completion.
- 2.2.12 All claims, disputes, or other matters or questions between the Contractor and Owner arising out of or relating to the A/E's interpretation of the Contract Documents or any other decisions, communications, or actions of the A/E arising out of or relating to the performance of the Work shall be resolved as set forth in Article 12 Changes and Modifications in the Work.
- 2.2.13 In case of the termination of the employment of the A/E, the Owner shall appoint a new A/E, who shall have the same status under the Contract Documents as the former A/E.

ARTICLE 3 OWNER

3.1 DEFINITION

- 3.1.1 The Owner is the City of Lynchburg, Virginia and is referred to throughout the Contract Documents as if singular in number and masculine in gender. The term Owner means the Owner or its authorized representative. The Director, Department of Public Works or his designee is the authorized Owners representative for this contract.
- 3.1.2 The Department of Public Works, City of Lynchburg will designate a single Owner's representative, with the title of Project Manager (PM), who will have the power to act, within the scope of his delegated authority, for and on behalf of the Owner, in accordance with the terms of the Contract.
- 3.1.3 For purposes of change in the work, the term "Owner" or "Owner's representative" specifically excludes any and all inspectors having building code or City ordinance responsibilities or jurisdiction under the requirements of the Building Permit.

3.2 INFORMATION POSSESSED BY OWNER

- 3.2.1 The Owner, as a courtesy, will make available for the Contractor's reasonable review, at the Owner's offices or together with the Contract Documents, certain boring logs, geotechnical, soils and other reports, surveys and analyses pertaining to the Contract site of which the Owner is aware and has in its possession. Any boring logs that are provided to the Contractor, are only intended to reflect conditions at the locations of the borings and do not necessarily reflect site conditions at other locations on the site. Any reports surveys and analyses provided by Owner are for the Contractor's information only, and their accuracy and completeness are not guaranteed or warranted by the Owner or the A/E, and such reports are not adopted by reference into, nor are they part of the Contract Documents.

- 3.2.1.1 Notwithstanding any factual statement, conclusion, or any language or recommendations contained in such reports, the Contractor assumes full responsibility for inspection of the site and for the means and methods of construction that he employs when performing the work. The Owner shall not be liable for any additional work or costs arising as a result of any conclusions reached or assumptions derived by the Contractor from or based upon any such geotechnical, soils and other reports, surveys and analyses which the Owner makes available for the Contractor's information and review.

3.3 OWNER-PAID PERMITS AND FEES

- 3.3.1 The Owner will, where applicable, pay for:

- .1 Sewer availability fees;
- .2 Water availability/meter connection fee;
- .3 Electrical, natural gas, telephone, and cable TV permanent installation charges;
- .4 Any easements required;
- .5 Railroad Flagging Services;
- .6 Permits for work in Virginia Department of Transportation (VDOT) right-of-way. The Contractor is required to comply with the General Requirement for work in the VDOT right-of-way as outlined in the The Manual of Specifications and Standard Details, 2005 for the City of Lynchburg, and the VDOT Manual for this work. Upon completion of all work in the VDOT right-of-way, the VDOT Personnel will conduct an inspection and issue a punch list. The Contractor shall be responsible for completion of those items on the punch list and the written release of the Permit.

- 3.3.2. The Contractor's attention is directed to Article 4.7 Contractor-Paid Taxes, Permits, Fees, and Notices describing other permits to be obtained and fees to be paid by the Contractor.

- 3.3.3 The foregoing are in addition to other duties and responsibilities of the Owner enumerated elsewhere in the Contract Documents.

3.4 OWNER'S RIGHT TO STOP WORK

- 3.4.1 If the Contractor fails to correct defective Work as required herein or persistently fails to carry out the Work in accordance with the Contract Documents, the Owner, by a written order, may order the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of the Owner to stop the Work shall not give rise to any duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity.

3.5 OWNER'S RIGHT TO CARRY OUT THE WORK

- 3.5.1 If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within seven (7) days after receipt of written Notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to any other remedy he may have, rectify such

deficiencies as outlined in Section 6.1 Owner's Right to Perform Work and to Award Separate Contracts. In such case an appropriate Change Order shall be issued deducting from the payments then or thereafter due the Contractor the cost of correcting such deficiencies, including compensation for the A/E's additional services made necessary by such default, neglect or failure. If the payments then or thereafter due the Contractor are not sufficient to cover such amount, the Contractor shall pay the difference to the Owner.

- 3.5.2 Neither the Owner nor the A/E nor their officers, agents, assigns or employees are in any way liable or accountable to the Contractor or his surety for the method by which work performed by the Owner, or at the Owner's direction, or any portion thereof, is accomplished or for price paid therefore. Notwithstanding the Owner's right to carry out a portion of the Work, maintenance and protection of the Work remains the Contractor's and Surety's responsibility as provided for in the Performance Bond and Guarantee of Contractor, pursuant, but not limited, to Articles 4 Contractor and 13 Uncovering and Correction of Work.

3.6 SUSPENSION OF WORK

- 3.6.1 The Owner shall have the authority to suspend the Work, in whole or in part, for such periods and such reasons as the Owner may deem necessary or desirable, in its sole discretion, including without limitation:
- .1 Unsuitable weather
 - .2 Other conditions considered unfavorable for the suitable prosecution of the Work; and/or
 - .3 Other conditions considered adverse to the best interests of the Owner.
- 3.6.2 Any such suspension shall be in writing to the Contractor. The Contractor shall obey immediately such orders of the Owner and shall not resume the Work until so ordered in writing by the Owner. The Contractor shall be entitled to an extension of the Contract Time subject to the provisions of Article 8 Contract Time herein.
- 3.6.3 No such suspension of the Work shall be the basis of a claim by the Contractor for any increase in the Contract Sum or for any other damages, losses, costs or expenses whatsoever provided that the suspension is for a reasonable time, under the circumstances then existing and the cause thereof is beyond the control and is without the fault or negligence of the Owner.
- 3.6.4 In the event of suspension of Work, the Contractor will and will cause his subcontractors to protect carefully his and their materials and work against damage or injury from the weather and maintain completed and uncompleted portions of the work as required by the Contract Documents. If, in the opinion of the Owner any work or material shall have been damaged or injured by reason of failure on the part of the Contractor or any of his subcontractors to so protect same, such work and materials shall be removed and replaced at the expense of the Contractor.

3.7 USE AND OCCUPANCY PRIOR TO FINAL ACCEPTANCE BY OWNER

- 3.7.1 The Owner has the right to take possession of and use any completed or partially completed portions of the Work, notwithstanding that the time for completing the entire Work or any portions thereof may, or may not, have expired. The taking of possession and use by the Owner shall be in accordance with the provisions regarding Substantial Completion in Article 9.8 Substantial Completion and Guarantee Bond. If such prior use delays the Work, the Contractor may submit a request for a time extension in accordance with the requirements of Article 8 Contract Time.

3.8 RIGHT TO AUDIT AND PRESERVATION OF RECORDS

- 3.8.1 The Contractor shall maintain books, records and accounts of all costs in accordance with generally accepted accounting principles and practices. The Owner or its authorized representative shall have the right to audit the books, records and accounts of the Contractor under any of the following conditions:
- .1 If the Contract is terminated for any reason in accordance with the provisions of these Contract Documents in order to arrive at equitable termination costs;
 - .2 In the event of a disagreement between the Contractor and the Owner on the amount due the Contractor under the terms of this Contract;
 - .3 To check or substantiate any amounts invoiced or paid which are required to reflect the costs of the Contractor, or the Contractor's efficiency or effectiveness under this Contract or in connection with extras, changes, claims, additions, backcharges, or other, as may be provided for in this Contract; and/or
 - .4 If it becomes necessary to determine the Owner's rights and the Contractor's obligations under the Contract or to ascertain facts relative to any claim against the Contractor which may result in a charge against the Owner.
- 3.8.2 These provisions for an audit shall give the Owner unlimited access during normal working hours to the Contractor's books and records under the conditions stated above.
- 3.8.3 The Contractor shall make all his books, records, documents, and other evidence bearing on his costs and expenses under this Contract available to the Owner for a period of three years after final payment or termination hereunder
- 3.8.4 All payments under this Contract are subject to audit under the circumstances stated above. Audits may be performed at the Owner's option, either during the Contract time period or during the above record retention time period. Regardless of authorization, approval or acceptance, signatures or letters which are given by the Owner and are part of the Owner's control systems or are requested by the Contractor, the payments made under this Contract shall not constitute a waiver of the Owner's right to audit. Payments shall not constitute a waiver or agreement by the Owner that it accepts as correct the billings, invoices or other charges on which the payments are based. If the Owner's audit produces a claim against the Contractor, the Owner may pursue all its legal remedies even though it has made all or part of the payments required by this Contract.

- 3.8.5 If any audit by the Owner or the Owner's representative discloses an underpayment by the Owner, the Owner shall have the duty to pay any amounts found by the audit to be owed to the Contractor. If such audit discloses an overpayment, the Contractor shall have the obligation to reimburse the Owner for the amount of the overpayment.
- 3.8.6 The Owner's right to audit and the preservation of records shall terminate at the end of three (3) years as stated herein above. The Contractor shall include this "Right to Audit and Preservation of Records" clause in all subcontracts issued by him and he shall require same to be inserted by all lower tier Subcontractors in their subcontracts, for any portion of the work. Should Contractor fail to include this clause in any such Contract or lower tier Contract, or otherwise fail to insure the Owner's rights hereunder, Contractor shall be liable to Owner for all cost, expenses and attorney's fees which Owner may have to incur in order to obtain an audit or inspection of or the restoration of records which would have otherwise been available to Owner from said persons under this clause. Such audit may be conducted by the Owner or its authorized representative.

3.9 RIGHT TO REVIEW OTHER DOCUMENTS AND MATERIALS

- 3.9.1 In addition to the rights granted to the Owner under Article 3.8 Right to Audit and Preservation of Records, the Owner shall have the right to review and copy any and all of the Contractor's records pertaining to or relating in any way to this project, including, but not limited to, correspondence, memoranda, minutes, reports, intra- and inter-office communications, work papers, estimating sheets, progress reports, forecasts, audio or video recordings, computer disks, films, or any other materials, regardless of physical form or characteristics, which were prepared by or in the possession of, or obtainable by, the Contractor. The Contractor shall make all such documents and records available to the Owner upon ten (10) days written Notice to the Contractor of the Owner's intent to review such documents. The Contractor shall include this "Right to Review Documents and Other Materials" clause in all subcontracts issued by him and he shall require same to be inserted by all lower-tier subcontractors in their subcontracts for any portion of the Work. The Contractor hereby waives any right he may have to additional compensation or time extensions in the event he fails or refuses to produce records pertaining to any such claim as requested by the Owner pursuant to this paragraph. In addition, the Owner may withhold all or any portion of any progress payments, which may be otherwise due, in the event Contractor refuses to comply with his obligations under this paragraph. The review of documents and other records under this clause may be conducted by the Owner or its authorized representatives.

ARTICLE 4 CONTRACTOR

4.1 DEFINITION

- 4.1.1 The Contractor is the person or entity identified in the Construction Agreement and is referred to throughout the Contract Documents as if singular in number and masculine in gender. The term Contractor means the Contractor or his authorized representative.
- 4.1.2 This entire Contract is not one of agency by the Contractor for Owner but one in which the Contractor is engaged independently in the business of providing the services and performing the Work herein described as an independent Contractor.

4.2 REVIEW OF CONTRACT DOCUMENTS

- 4.2.1 The Contractor shall not perform any portion of the Work at any time without having obtained the Contract Documents or, where required, approved Shop Drawings, Product Data, Samples or Manuals for such portion of the Work
- 4.2.2 The Contractor shall keep at the site of the Work at least two (2) copies of the drawings and specifications and shall at all times give the A/E, inspectors, as well as representatives of the Owner access thereto. Further, said drawings shall be the approved sets issued to the Contractor by the appropriate City Permit agencies

4.3 CONTRACTOR'S REPRESENTATIONS

By entering into this Contract with the Owner, the Contractor represents and warrants the following, together with all other representations and warranties in the Contract Documents

- 4.3.1 That he is experienced in and competent to perform the type of work required and to furnish the plant, materials, supplies or equipment to be so performed or furnished by him;
- 4.3.2 That he is financially solvent, able to pay his debts as they mature, and possessed of sufficient working capital to initiate and complete the Work required under the Contract;
- 4.3.3 That he is familiar with all Federal, State, and Local Government laws, ordinances, permits, regulations and resolutions which may in any way affect the Work or those employed therein;
- 4.3.4 That such temporary and permanent work required by the Contract Documents which is to be done by him will be satisfactorily constructed and fit for use for its intended purpose and that such construction will not injure any person, or damage any property;
- 4.3.5 That he has carefully examined the Contract Documents and the site of the Work and that from his own investigations, he has satisfied himself and made himself familiar with: (1) the nature and location of the Work, (2) the character, quality and quantity of materials likely to be encountered, including, but not limited to, all structures and obstructions on or at the project site, both natural and man-made; (3) the character of equipment and other facilities needed for the performance of the Work, (4) the general and local conditions including without limitation its climatic conditions, the availability and cost of labor and the availability and cost of materials, tools and equipment; (5) the quality and quantity of all materials, supplies, tools, equipment, labor and professional services necessary to complete the Work in the manner required by the Contract Documents; and (6) all other matters or things which could in any manner affect the performance of the Work;
- 4.3.6 That he will fully comply with all requirements of the Contract Documents;
- 4.3.7 That he will perform the Work consistent with good workmanship, sound business practice, and in the most expeditious and economical manner consistent with the best interests of the Owner;
- 4.3.8 That he will furnish efficient business administration, an experienced superintendent, and an adequate supply of workmen, equipment, tools and materials at all times;

- 4.3.9 That he will complete the Work within the Contract Time;
- 4.3.10 That his Contract price is based upon the materials, systems and equipment required by the Contract Documents, without exception; and
- 4.3.11 That he has satisfied himself as to the feasibility and correctness of the Contract Documents for the construction of the Work.

4.4 SUPERVISION AND CONSTRUCTION PROCEDURES

- 4.4.1 The Contractor shall supervise and direct the Work, using his best skill and attention. He shall be solely responsible for all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract; subject, however, to the Owner's right to reject means and methods proposed by the Contractor which are unsafe or otherwise not in compliance with the Contract Documents.
- 4.4.2 The Contractor shall be responsible to the Owner for the acts and omissions of his employees, Subcontractors and Sub-subcontractor's, suppliers, their agents and employees, and of other persons performing any of the Work and for their compliance with each and every requirement of the Contract Documents, in the same manner as if they were directly employed by the Contractor.
- 4.4.3 The Contractor understands and agrees that he shall not be relieved of his obligations to perform the Work in accordance with the Contract Documents either by the activities or duties of the Owner or the A/E in their administration of the Contract or by inspections, tests, or approvals required or performed under Article 7 by persons other than the Contractor.
- 4.4.4 Before starting a section of work, the Contractor shall carefully examine all preparatory work that has been executed by others to receive his Work to see that it has been completed. He shall check carefully, by whatever means are required, to ensure that his Work and adjacent, related work will finish to proper quality, contours, planes, and levels.
- 4.4.5 The Contractor understands and agrees that the Owner and A/E will not be responsible for and will not have control or charge of construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, and they will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents. The Owner and the A/E will not be responsible for or have control or charge over the acts or omissions of the Contractor, Subcontractors, or any of their agents or employees, or any other persons performing any of the Work.
- 4.4.6 The Contractor shall employ no plant, equipment, materials, or persons for this Work to which the Owner objects.
- 4.4.7 The Contractor shall not remove any portion of the Work or stored materials from the site of the Work.

4.5 LABOR, MATERIALS AND EQUIPMENT

- 4.5.1 The Contractor shall furnish all plant, labor, materials, supplies, equipment and other facilities and things necessary or proper for or incidental to the Work, and will perform all

other obligations imposed on him by this Contract. Final payment will not be made until the Work is so completed.

- 4.5.2 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for all labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for the proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.
- 4.5.3 Work and materials which are necessary in the construction but which are not specifically referred to in the specifications or shown in the drawings but implied by the Contract shall be furnished by the Contractor at his own cost and expense. Such work and materials shall correspond with the general character of the Work as may be determined by the A/E subject to review as provided in Article 2.2.11.
- 4.5.4 The Contractor shall perform at least that percentage of the Work specified in the Construction Agreement, with forces that are in the direct employment of the Contractor's organization. The Contractor shall submit to the Owner within thirty (30) calendar days after award of the Contract for the Work, a designation of the Work to be performed by the Contractor with his own forces. The percentage of the Work to be performed under subcontract shall be calculated by adding the amounts of all subcontracts and dividing this sum by the total amount of the Contract.
- 4.5.5 The Contractor shall at all times enforce strict discipline, safety and good order among his employees and shall not employ on the Work any unfit person or anyone not skilled in the task assigned to him.

If any person employed on the Work by the Contractor shall appear to the Owner to be incompetent or to act in a disorderly or improper manner, such person shall be removed immediately at the request of the Owner, and shall not be reemployed except on written consent of the Owner.

- 4.5.6 No materials or supplies for the Work shall be purchased by the Contractor or by any subcontractor subject to any chattel mortgage, or under a conditional sale or other agreement by which an interest is retained by the seller. The Contractor warrants that he has good title to all materials and supplies used by him in the Work.
- 4.5.7 The Contractor shall provide approved and adequate sanitary accommodations. All wastes shall be covered, disinfected, incinerated or otherwise disposed of legally.
- 4.5.8 All equipment, apparatus and/or devices of any kind to be incorporated into the Work that are shown or indicated on the drawings or called for in the specifications or required for the completion of the Work shall be entirely satisfactory to the Owner as regards operations, capacity and/or performance. No approval, either written or verbal, of any drawings, descriptive data or samples of such equipment, apparatus, and/or device shall relieve the Contractor of his responsibility to turn over the same in good working order for its intended purpose at the completion of the Work. In complete accordance with the Contract Documents. Any equipment, apparatus and/or device not fulfilling these requirements shall be removed and replaced by proper and acceptable equipment, etc., or put in good working order satisfactory to the Owner without additional cost to the Owner.

4.6 WARRANTY

- 4.6.1 The Contractor warrants to the Owner that all materials and equipment furnished under this Contract will be new unless otherwise specified, and that all workmanship will be of first class quality, free from faults and defects and in conformance with the Contract Documents and all other warranties and guaranties specified therein. Where no standard is specified for such workmanship or materials, they shall be the best of their respective kinds. All Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective.

If required by the Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. This warranty is not limited by the provisions of Article 13, Uncovering and Correction of Work.

- 4.6.2 The Work included in this Contract is heretofore specified. The Contractor shall be required to complete the Work specified and to provide all items needed for construction of the project, complete and in good order.

4.7 CONTRACTOR-PAID TAXES, PERMITS, FEES AND NOTICES

- 4.7.1 The Contractor shall pay all sales, consumer, use and other similar taxes for the Work or portions thereof provided by the Contractor which are legally enacted at the time bids are received, whether or not yet effective. Taxes to be paid by the Contractor shall include, but shall not be limited to, the Lynchburg City Business, Professional and Occupational License Tax (a gross receipts tax).

- 4.7.2 Except as provided in Article 3.3 Owner-Paid Permits and Fees the Contractor will be responsible for obtaining and paying for all other fees, permits and licenses necessary for the proper execution of the work, including but not limited to:

- .1 Building Permit and inspections (City fees waived);
- .2 Plumbing, Electrical, Mechanical Permits and inspections (City fees waived);
- .3 Temporary water meter, temporary electrical and C&P installations and temporary utility usage;
- .4 Temporary security lighting;
- .5 All other permits necessary in order to perform the Work shall be secured by the Contractor and fees necessary in order to perform the Work shall be paid by him as part of this Contract at no additional cost to the Owner.

- 4.7.3 The Contractor shall give all notices and comply with all laws, ordinances, rules, regulations, permits, resolutions and lawful orders of any public authority bearing on the performance of the Work; including but not limited to OSHA, Title 40.1 Labor and Employment Chapter 3 of the Code of Virginia, and Title VII of the Civil Rights Act of 1964, as amended. All safety violations shall be corrected immediately upon receipt of notice of violation.

4.8 COMPLIANCE

- 4.8.1 All demolition and excavation shall comply with the rules and regulations for the prevention of accidents as issued by the Department of Labor and Industry of the Commonwealth of Virginia.
- 4.8.2 To the extent of the work indicated in the Contract Documents, the Contractor shall comply and the construction shall conform with all applicable and current editions or revisions of the following codes, specifications and standards. In case of conflict, the order of precedence shall be as hereinafter listed:

- .1 Contract Documents;
- .2 Lynchburg City Purchasing Ordinance, as amended;
- .3 The Virginia Uniform Statewide Building Code, as amended (BOCA and NEC);
- .4 The Virginia Department of Transportation Road and Bridge Specifications and the Road Designs and Standards.

- 4.8.3 If the Contractor (or any person in contract with the Contractor relating to the subject project) finds an error, inconsistency, omission, ambiguity, discrepancy, conflict or variance in the Contract Documents, or between the Contract Documents and any of the codes, specifications and standards set forth in 4.8.2 herein, the Contractor has the obligation to seek a clarification thereof from the A/E, with a copy to the Owner, prior to the time the Work is performed which is affected by such error, inconsistency, omission, ambiguity, discrepancy, conflict or variance. The Owner will welcome such a clarification request and, if deemed necessary by the Owner, the Owner will issue a written instruction clarifying the matter in question. If the Contractor feels that the written clarification requires additional Work, the Contractor shall follow the change process in Article 12 Changes and Modifications in the Work.

Should the Contractor fail to seek such a clarification thereof immediately upon the discovery of the need therefore, prior to the time the said Work is performed, the Contractor thereby assumes all risk of loss related to such error, inconsistency, ambiguity, discrepancy, conflict or variance which the Contractor (and any person in contract with Contractor relating to the subject project) knew or should have known, using a normal, professional standard of care, existed prior to the time the Work was performed.

- 4.8.4 Any material or operation specified by reference to publications, published specifications of a Manufacturer, a Society, an Association, a Code, or other published Standard, shall comply with the requirements of the referenced document which is current on the date of receipt of bids. If the Contractor observes that any of the Contract Documents are at variance therewith in any respect, he shall promptly notify the A/E in writing, with a copy to the Owner. The A/E will make such judgments as are necessary and notify the Contractor prior to the performance of the work.
- 4.8.5 If the Contractor performs any Work contrary to such laws, ordinances, permits, rules, regulations and resolutions, he shall assume full responsibility therefore and shall bear all costs attributable thereto.

- 4.8.6 The Contractor will be held responsible for locating all underground structures such as water, oil and gas mains, water and gas services, storm and sanitary sewers and telephone and electric conduits which may be encountered during the construction operation. The Contractor shall have Miss Utility locate all utilities on the site which are within the area of the work and shall dig test holes to determine the position of the underground structures. The Contractor shall pay the cost of digging test holes and likewise he shall pay the cost of the services of the representatives of the owners of such utilities for locating the said utilities. The cost of determining the location of any and all utilities is to be included in the bid price. The Owner shall pay the owners of such utilities for fees or charges for relocation of gas, electric, telephone, cable or other lines and/or services indicated to be relocated by others.
- 4.8.7 If utilities are marked which are not shown on the plans, the Contractor shall immediately notify the Owner and the A/E of such finding. The Owner and A/E shall provide a direction to the Contractor within a reasonable period of time if additional work is required as a result of the finding. If the Contractor believes that it requires additional Work, the Contractor shall follow the change process in Article 12 Changes and Modifications in the Work.

4.9 ALLOWANCES

- 4.9.1 The Special Conditions will contain provisions for allowances, if such is applicable to this Contract. (NA)

4.10 SUPERINTENDENT

- 4.10.1 The Contractor shall employ a competent Superintendent and any necessary assistants to ensure supervisory attendance at the Project site during the progress of the Work. The Superintendent shall have full authority to represent the Contractor and all communications given to the Superintendent shall be as binding as if given to the Contractor.
- 4.10.2 It is understood that such Superintendent shall be acceptable to the Owner and shall be one who will be continued in that capacity for duration of this project, unless he ceases to be on the Contractor's payroll. The Superintendent shall not be employed on any other project during the performance of this Contract.

4.11 CONSTRUCTION SCHEDULE

- 4.11.1 The Contractor shall within twenty (20) days after issuance of the Notice of Award, prepare and submit to the A/E and Owner for review, a reasonably practicable and feasible Construction Schedule and provide to Owners A/E with copy to the Owner, showing the method by which the Contractor will comply with Completion date requirements as set forth in the Construction Agreement. The schedule shall show in detail how the Contractor plans to execute and coordinate the Work. The Contractor shall use this schedule in the planning, scheduling, direction, coordination and execution of the Work. The Construction Schedule shall encompass all of the work of all trades necessary for construction of the project and shall be sufficiently complete and comprehensive to enable progress to be monitored on a day-to-day basis. The Owner and A/E shall each be provided with a copy of all schedules, updates reports and other documentation required herein which shall be suitable for reproduction by the Owner. When required to assist the Engineer with project

staffing requirements for the following week, the Contractor shall provide the Engineer, on each Friday, with a detailed work schedule for the following week. The Contractor shall provide the Engineer with at least a seventy-two (72) hour notice for the following items: 1) All traffic lane changes. The Contractor may be charged for additional costs of inspection when material and workmanship are found to not be ready for inspection at the time the Contractor calls for inspection.

- 4.11.2 It is the sole responsibility of the Contractor to prepare, maintain, update, revise and utilize the Construction Schedule as outlined in 4.11 Construction Schedule. The schedule shall be the sole overall Construction Schedule utilized by the Contractor in managing this project, provided, however, that Contractor may at its option employ and utilize other schedules based upon and consistent with the Construction Schedule. In general, it is the intent of this Paragraph to allow the Contractor to choose its own means, methods and construction procedures consistent with good practice and the Contract Documents.
- 4.11.3 If the Contractor should submit a schedule or express an intention to complete the Work earlier than any required Milestone or Completion date, the Owner shall not be liable to the Contractor for any costs or delay should the Contractor be unable to complete the Work before such earlier Milestone or Completion date. The duties, obligations and warranties of the Owner to the Contractor shall be consistent with and applicable only to the completion of the Work on the Milestone and completion dates required in the Construction Agreement.
- 4.11.4 Submission to the Owner of the Construction Schedule is advisory only and shall not relieve the Contractor of the responsibility for accomplishing the Work within each and every required Milestone and Completion date. Omissions and errors in the approved Construction Schedule shall not excuse performance that is not in compliance with the Contract. Submission to the Owner in no way makes the Owner an insurer of the Construction Schedule's success or liable for time or cost overruns flowing from its shortcomings. The Owner hereby disclaims any obligation or liability by reason of Owner approval or failure to object to the Construction Schedule.
- 4.11.5 Contractor shall consult with and obtain information from principal Subcontractors necessary in preparation of the schedules, updates and revisions required herein. Contractor shall provide each principal Subcontractor with copies of the Construction Schedule and any revisions or updates affecting a Subcontractor's work. Contractor shall hold appropriate progress meetings with Subcontractors and shall direct and coordinate the work of Subcontractors consistent with and as required herein. Owner shall have the right to attend Subcontractor progress meetings but shall not be required to participate in such meetings or provide information to Subcontractors, except through the Contractor. Contractor shall keep up-to-date minutes of Subcontractor progress meetings and shall provide same to Owner. The Contractor shall ensure that each Subcontractor, Sub-subcontractor or supplier acknowledges and accepts the requirements of the Construction Schedule relating to their part of the Work.
- 4.11.6 If Contractor's Construction Schedule indicates that Owner or a separate Contractor is to perform an activity by a specific date, or within a certain duration, Owner or any separate Contractor shall not be bound to said date or duration unless Owner expressly and specifically agrees in writing to same; the Owner's overall review of the schedule does not constitute an agreement to specific dates or durations for activities of the Owner or any separate contractor.

- 4.11.7 The Contractor's Superintendent shall maintain at the job site, a current Construction Schedule, indicating actual monthly progress for those portions of the project on which work has been or is being performed.
- 4.11.8 If an extension or contraction of any Milestone or Completion Date is authorized by any Change Order, the Contractor shall revise his Construction Schedule, Milestone and Completion Dates accordingly.
- 4.11.9 If, in the opinion of the Owner, the Construction Schedule does not accurately reflect the actual progress and sequence of the Contractor's performance of the Work, the Contractor shall revise the Construction Schedule, upon the Owner's request, and submit a revised Construction Schedule that accurately represents the progress and sequence of the Contractor's performance of the Work.
- 4.11.10 Contractor shall submit to the Owner the name of any scheduling consultant that Contractor may select or retain. Contractor shall not utilize any particular scheduling consultant over the reasonable objection of the Owner to that consultant.
- 4.11.11 Contractor covenants and guarantees that Contractor will not:
- .1 Misrepresent to Owner it's planning and scheduling of the Work;
 - .2 Utilize schedules materially different from those made available to the Owner or any Subcontractors for the direction, execution and coordination of the Work, or which are not feasible or realistic;
 - .3 Prepare schedules, updates, revisions or reports which do not accurately reflect Contractor's actual intent or Contractor's reasonable and actual expectations as to:
 - (a) The sequences of activities,
 - (b) The duration of activities,
 - (c) The responsibility for activities,
 - (d) Resource availability,
 - (e) Labor availability or efficiency,
 - (f) Expected weather conditions,
 - (g) The value associated with the activity,
 - (h) The percentage complete of any activity,
 - (i) Completion of any item of work or activity,
 - (j) Project completion,
 - (k) Delays, slippages, or problems encountered or expected,

- (l) Subcontractor requests for time extension, or delay claims of subcontractors, and
- (m) If applicable, the float time available.

4.11.12 Contractor's failure to substantially comply with the foregoing covenant and guarantee of Paragraph 4.11.11 shall be a substantial and material breach of contract which will permit Owner to terminate Contractor for default, or withhold payments under the Contract Documents, and shall entitle Owner to the damages afforded for misrepresentation or fraud by these Contract Documents or applicable law.

4.11.13 Should Contractor fail to substantially comply with the provisions of the Contract Documents relating to scheduling and execution of the Work by the overall project schedule, Owner shall have the right, at its option, to retain the services of scheduling consultants or experts (including attorneys if necessary in the opinion of the Owner) to prepare schedules, reports, updates and revisions of the schedule in accordance with the Contract Documents and to review and analyze same, in order to allow Owner and A/E to evaluate the program of the Work by Contractor, to determine whether Contractor is substantially complying with the Contract Documents, and to direct such action of the part of the Contractor, as permitted by the Contract Documents, as required to ensure, under the Owner's schedule prepared hereunder, that Contractor will complete the Work within the Contract Time. All costs and expenses and fees incurred by Owner in preparing the schedule hereunder shall be charged to Contractor's account. If Contractor fails to substantially comply with the scheduling and execution of the work requirements of the Contract Documents, Contractor hereby agrees, in such instance, to comply with such Owner-prepared schedules, if any, or directions, and activity sequences and durations as Owner may reasonably require, without additional cost to the Owner (subject only to cost adjustments for such changes in the Work as Owner may direct), to ensure completion within the Contract Time.

4.11.14 The Construction Schedule shall be utilized by Owner, A/E and Contractor for submission, review and approval of monthly Payment Request. The schedule must be updated by Contractor monthly with each progress payment application and submitted to the Owner and A/E for review with the progress payment application. Owner shall not be required to process and review Contractor's Application for Payment if Contractor has failed or refused to provide the scheduling update information required herein.

4.11.15 The type of schedule to be utilized on this project, along with its particular elements, shall be as specified herein.

4.12 RESPONSIBILITY FOR COMPLETION

4.12.1 The Contractor shall furnish such manpower, materials, facilities and equipment and shall work such hours, including night shifts, overtime operations and Sundays and holidays, as may be necessary to ensure the performance of the Work within the Milestone and Completion dates specified in the Construction Agreement. If the Owner notifies the Contractor that it has become apparent that the Work will not be Completed within required Milestone or Completion dates, the Contractor agrees that it will assume full responsibility to take some or all of the following actions, at no additional cost to the Owner (except for circumstances beyond the Contractors' control), in order to ensure, in the opinion of the Owner, that the Contractor will comply with all Milestone and Completion date requirements:

- .1 Increase manpower, materials, crafts, equipment and facilities;
- .2 Increase the number of working hours per shift, shifts per working day, working days per week, or any combination of the foregoing; and
- .3 Reschedule activities to achieve maximum practical concurrency of accomplishment of activities.

Failure of the Owner to notify the Contractor of the apparent delay shall not relieve Contractor of the obligation to finish the project within the required Milestone or Completion date.

- 4.12.2 If the actions taken by the Contractor are not satisfactory, the Owner may direct the Contractor to take any and all actions necessary to ensure completion within the required Milestone and Completion dates, without additional cost to the Owner (except for circumstances beyond the Contractor's control) . In such event, the Contractor shall continue to assume responsibility for his performance and for completion within the required dates.
- 4.12.3 If, in the opinion of the Owner, the actions taken by the Contractor pursuant to this Article or the progress or sequence of Work are not accurately reflected on the Construction Schedule, the Contractor shall revise such schedule to accurately reflect the actual progress and sequence of Work.
- 4.12.4 Failure of the Contractor to substantially comply with the requirements of this Article is grounds for a determination by the Owner, pursuant to Article 15 TERMINATION OF THE CONTRACT, that the Contractor is failing to prosecute the Work with such diligence as will ensure its completion within the time specified.
- 4.12.5 The Owner may, at its sole discretion and for any reason, including when it is apparent to the A/E or Owner that the Work will be completed within the required Milestone or Completion dates, require the Contractor to accelerate the Schedule of Performance by providing overtime, Saturday, Sunday and/or holiday work and/or by having all or any Subcontractors designated by the Owner provide overtime, Saturday, Sunday, and/or holiday work. In the event that the Owner requires overtime, Saturday, Sunday or holiday work by the Contractor's or his Subcontractor's own forces, and such requirement is not related in any way to the Contractor's apparent inability to comply with Milestone and Completion date requirements, the Owner shall reimburse the Contractor for the direct cost to the Contractor of the premium time for all labor utilized by the Contractor in such overtime, Saturday, Sunday or holiday work (but not for the straight time costs of such labor), together with any Social Security and State or Federal unemployment insurance taxes in connection with such premium time. However, no overhead supervision costs, commissions, profit or other costs and expenses shall be payable in connection therewith.
- 4.12.6 This provision does not eliminate the Contractor's responsibility to comply with the City's noise ordinances, all VDOT permit requirements and all other applicable laws, regulations, rules, ordinances, resolutions, and permit requirements.

4.13 DOCUMENTS AND SAMPLES AT THE SITE

- 4.13.1 The Contractor shall, at the Owner's direction, maintain at the site for the Owner one record copy of all Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to record all changes made during construction, and approved Shop Drawings, Product Data, Samples and Manuals. These shall be available to the A/E. These shall be delivered to the Owner upon completion of the Work.

4.14 SHOP DRAWINGS, PRODUCT DATA, SAMPLES AND MANUALS

- 4.14.1 SHOP DRAWINGS are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or any Subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.
- 4.14.2 PRODUCT DATA are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate a material, product or system for some portion of the Work.
- 4.14.3 SAMPLES are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.
- 4.14.4 MANUALS are manufacturer's installation, start-up, operating, maintenance and repair instructions, together with parts lists, pictures, sketches and diagrams that set forth the manufacturer's requirements, for the benefit of the Contractor and the Owner.
- 4.14.5 The Contractor shall review, approve and submit, with reasonable promptness and in such sequence as to cause no delay in the Work or in the Work of the Owner or any separate contractor, all Shop Drawings, Product Data, Samples and Manuals required by the Contract Documents.
- 4.14.6 By approving and submitting Shop Drawings, Product Data, Samples and Manuals, the Contractor represents that he has determined and verified all materials, field measurements, and field construction criteria related thereto, and that he has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

Parts and details not fully indicated on the contract drawings shall be detailed by the Contractor in accordance with standard engineering practice. Dimensions on the contract drawings, as well as detailed drawings themselves are subject in every case to measurements of existing, adjacent, incorporated and completed work, which shall be taken by the Contractor before undertaking any work dependent on such data.

- 4.14.7 The Contractor shall not be relieved of responsibility for any deviation from the requirements of the Contract Documents by the Owner or A/E's approval of Shop Drawings, Product Data, Samples or Manuals under Article 2 Architect/Engineer unless the Contractor has specifically informed the Owner and A/E in writing of such deviation at the time of submission and the Owner has given written approval to the specific deviation. The Contractor shall not be relieved from responsibility for errors or omissions in the Shop Drawings, Product Data, Samples or Manuals by the A/E's approval thereof.

- 4.14.8 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data or Samples, to revisions other than those requested by the Owner or A/E on previous submittals.

No portion of the Work requiring submission of Shop Drawings, Product Data, or Samples shall commence until the submittal has been approved by the Owner and A/E as provided in Article 2 Architect/Engineer. All such portions of the Work shall be in accordance with approved submittals.

- 4.14.9 For substances that are proposed for use in the project that may be hazardous to human health, the Contractor shall submit to the A/E, for information only, information on precautions for safely using these substances, including certification of registration by the Contractor with authorities under the respective Virginia and Federal Toxic Substances Control Acts.
- 4.14.10 Unless otherwise modified by the Owner in writing, the Contractor shall label or stamp and number all Shop Drawings, Product Data, Samples or Manuals as prescribed by the project Manager.
- 4.14.11 The Contractor shall submit a copy of each submittal, including the transmittal sheet (for shop drawings, product data, samples or manuals) to the Owner simultaneously with the Contractor's submission of said drawings, data, samples or manual packages to the A/E.

4.15 EQUAL PRODUCTS:

- 4.15.1 The term "Product" as used herein refers to materials, equipment, supplies, articles, fixtures, devices, types of construction, or products, as appropriate.
- 4.15.2 All products furnished shall, whenever specified and otherwise wherever practicable, be the standard products of recognized, reputable manufacturers. If the manufacturer cannot make scheduled delivery of an approved item, the Contractor may request approval of the Owner to use another brand, make, manufacturer, article, device, product, material, fixture, form or type of construction which the Contractor judges to be equal to that specified. An item shall not be considered by the Owner for approval as equal to the item so named or described unless it (1) it is at least equal in quality, durability, appearance, strength, and design; (2) it will perform at least equally the specific function imposed by the general design for the work being contracted for or the material being purchased; and (3) it conforms substantially, even with deviations, to the detailed requirements for the item in the specifications. Approval shall be at the sole discretion of the Owner and will be based upon considerations of quality, workmanship, economy of operation, suitability for the purpose intended, and acceptability for use on the project. Any such approval must be in writing to be effective and the decision of the Owner shall be final.
- 4.15.4 To obtain such approval of equal products other than those specified in Contract Documents, and not previously approved during the bidding, the Contractor's request for approval of any equal product shall include the following:
- .1 Complete data substantiating compliance of the proposed equal product with the Contract Documents;

- .2 Accurate cost data on proposed equal product in comparison with product or method specified;
- .3 Product identification including manufacturer's name, address, and phone number;
- .4 Manufacturer's literature showing complete product description, performance and test data, and all reference standards;
- .5 Samples and colors in the case of articles or products;
- .6 Name and address of similar projects on which the product was used and date of installation;
- .7 All directions, specifications, and recommendations by manufacturers for installation, handling, storing, adjustment, and operation.

4.15.5 The Contractor shall also submit with his request for approval a statement which shall include all of the following representations by the Contractor, namely that:

- .1 He has investigated the proposed equal product and determined that it is equal or better in all respects to that specified and that it fully complies with all requirements of the Contract Documents;
- .2 He will meet all contract obligations with regard to this substitution;
- .3 He will coordinate installation of accepted equal products into the work, making all such changes and any required schedule adjustments, at no additional cost to the Owner, as may be required for the Work to be complete in all respects;
- .4 He waives all claims for additional costs and additional time related to equal products. He also agrees to hold the Owner harmless from claims for extra costs and time incurred by Subcontractors and suppliers, or additional services which may have to be performed by the A/E, for changes or extra work that may, at some later date, be determined to be necessary in order for the Work to function in the manner intended in the Contract Documents;
- .5 He will provide the same warranty and guarantee, and perform any work required in accordance therewith, for the equal product that is applicable to the specified item for which the equal product is requested;
- .6 Material will be installed, handled, stored, adjusted, tested, and operated in accordance with the manufacturers' recommendation and as specified in the Contract Documents;
- .7 In all cases new materials will be used unless this provision is waived by Notice from the Owner or unless otherwise specified in the Contract Documents;
- .8 All material and workmanship will be in every respect, in accordance with that which in the opinion of the Owner, is in conformity with approved modern practice; and

- .9 He has provided accurate cost data on the proposed equal product in comparison with the product or method specified, if applicable.

4.15.6 The Owner may require tests of all products proposed as equal products so submitted to establish quality standards, at the Contractor's expense. After approval of an equal product, if it is determined that the Contractor submitted defective information or data regarding the equal product upon which Owner's approval was based, and that unexpected or unanticipated redesign or rework of the project will be required in order to accommodate the equal product, or that the item will not perform or function as well as the specified item for which equal product was requested, the Contractor will be required to furnish the original specified item or request approval to use another equal product. The Contractor shall pay all costs, expenses or damages associated with or related to the unacceptability of such an equal product and the resultant utilization of another item and no time extension shall be granted for any delays associated with or related to such an equal product.

4.15.7 Equal products will not be considered for approval by the Owner if:

- .1 The proposed equal product is indicated or implied on the Contractor's shop drawing or product data submittals and has not been formally submitted for approval by the Contractor in accordance with the above-stated requirements; or
- .2 Acceptance of the proposed equal product will require substantial design revisions to the Contract Documents or is otherwise not acceptable to the Owner.

4.15.8 Except as otherwise provided for by the provisions of any applicable laws, the Contractor shall not have any right of appeal from the decision of the Owner disapproving any products submitted if the Contractor fails to obtain the approval for an equal product under this Article.

4.15.8 If the Contractor proposes a product which the Owner determines is not equal to the product named in Contract Documents but which the Owner nevertheless is willing to accept, Contractor shall provide upon request by the Owner an itemized comparison of the proposed substitution with the product specified and the cost differential which shall be credited to the Owner in a Change Order issued in accordance with Article 12 Changes and Modifications in the Work.

4.16 USE OF SITE

4.16.1 The Contractor shall confine his operations at the site to areas permitted by law, ordinances, permits, easements, right-of-way agreements and the Contract Documents. The Contractor shall not unreasonably encumber the site, in the opinion of the Owner, with any materials, equipment or trailers nor shall he block the entrances or otherwise prevent reasonable access to the site, other working and parking areas, completed portions of the Work and/or properties, storage areas, areas of other facilities that are adjacent to the worksite. If the Contractor fails or refuses to move said material, equipment or trailers within 24 hours of Notice by the Owner to so do, the Owner shall have the right, without further Notice, to remove, at the Contractor's expense, any material, equipment and/or trailers which the Owner deems are in violation of this paragraph.

4.17 CUTTING AND PATCHING OF WORK

- 4.17.1 The Contractor shall be responsible for all cutting, fitting or patching that may be required to complete the Work and to make its several parts fit properly and in accordance with the Contract Documents.
- 4.17.2 The Contractor shall not damage or endanger any portion of the Work or the work of the Owner or any separate contractors by cutting, patching or otherwise altering any work, or by excavation. The Contractor shall not cut or otherwise alter the work of the Owner or any separate contractor except with the written consent of the Owner and of such separate contractor. The Contractor shall not unreasonably withhold from the Owner or any separate contractor his consent to cutting or otherwise altering the Work. The Owner shall not be required to accept Work with a cut, splice, or patch when such cut, splice or patch is not generally accepted practice for the particular work involved or is otherwise unworkmanlike in the opinion of the Owner.

4.18 RIGHT TO PUBLISH

- 4.18.1 The Contractor agrees that he will not publish, cause to be published, or otherwise disseminate any information of whatever nature relating to the Work being performed under this Contract, except as may be approved by the Owner in writing.

4.19 SITE CLEAN UP

- 4.19.1 The Contractor at all times shall keep the Project site and adjacent areas free from accumulation of waste materials or rubbish caused by his operations. Before final payment is made, the Contractor shall remove all of his waste materials, rubbish, scrap materials, debris, tools, construction equipment, machinery, surplus materials, falsework, temporary structures, including foundations thereof and plant of any description, from the Project site and put the site in a neat, orderly condition.
- 4.19.2 If the Contractor fails to clean up as required herein at any time during the performance of the Work or at the completion of the Work, the Owner may, upon 24 hours notification, clean up the site at the Contractor's expense.

4.20 PATENTS, ROYALTIES, ETC.

- 4.20.1 The Contractor guarantees to save harmless the Owner, its officers, agents, servants and employees from liability of any kind or nature, including cost, expense and attorney's fees on account of suits and claims of any kind for violation or infringement of any patents or patent rights by the Contractor, or by anyone directly or indirectly employed by him, or by reason of the use of any art, process, method, machine, manufacture, or composition of matter patented or unpatented in the performance of this Contract in violation or infringement of any letter or rights. The Contractor agrees to pay all royalties, fees, licenses, etc. required in respect of the work or any part thereof as part of his obligations hereunder without any additional compensation.

4.21 INDEMNIFICATION

- 4.21.1 It is hereby mutually covenanted and agreed that the relation of the Contractor to the work to be performed by him under this Contract shall be that of an independent contractor and

that as such he will be responsible for all damages, loss or injury, including death, to persons or property that may arise or be incurred in or during the conduct and progress of said work as the result of any action, omission or operation under the Contract or in connection with the Work, whether such action, omission or operation is attributable to the Contractor, Subcontractor, any material supplier, or anyone directly or indirectly employed by any of them. The Contractor shall make good any damages that may occur in consequence of the Work or any part of it. The Contractor shall assume all liability, loss and responsibility of whatsoever nature by reason of his neglect or violation of any Federal, State, County or local laws, regulations or ordinances.

- 4.21.2 The Contractor shall indemnify, hold harmless and defend the Owner, its employees, agents, servants and representatives from and against any and all claims, suits, demands, actions (regardless of the merits thereof) and damages of whatever nature arising out of or resulting from the performance of the Work or the failure to perform the Work, including jurisdictional labor disputes or other labor troubles that may occur during the performance of the Work.
- 4.21.3 The indemnification obligations under this Article shall not be affected in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor or any Subcontractor under worker's or workman's compensation acts, disability benefit acts or other employee benefit acts.
- 4.21.4 The obligations of the Contractor under this Article 4.21 shall not extend to the actions or omissions of the A/E, his agents or employees, arising out of; (1) the preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications, or (2) the giving of or the failure to give directions or instructions by the A/E, his agents or employees provided such giving or failure to give is the primary cause of the injury or damage.
- 4.21.5 The obligations of the Contractor under this Article 4.21 shall not extend to the proportion of damages, loss or injury, including death, to persons or property that may arise or be incurred as the result of any action, omission or operation of the Owner, or Owner's Separate Contractor(s), and their employees, agents, servants, and/or representatives.

4.22 NON-DISCRIMINATION IN EMPLOYMENT

4.22.1 During the performance of this contract, the contractor agrees as follows:

- .1 The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- .2 The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.

- .3 Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- .4 The contractor will include the provisions of the foregoing paragraphs A, B and C in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

4.22.2 DRUG-FREE WORKPLACE REQUIRED:

Contractors are reminded that Section 2.24312 of the Code of Virginia requires that the during the performance of the contract resulting from this bid, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this solicitation, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

4.23 CONTRACT SECURITY

- 4.23.1 The Contractor shall deliver to the Owner, within ten (10) working days from Notice of Award, two (2) originals of a Performance Bond and a separate Labor and Material Payment Bond in a form acceptable to the Owner and each in an amount required by the Contract Documents as security for the faithful performance of the Contract, and the payment of all persons performing labor and furnishing materials in connection with this Contract. The City will not issue Notice to Proceed until the bonds are received. The amount of the Performance and Payment Bonds shall be increased to the same extent the Contract Sum is increased due to modifications. The form of bonds shall be acceptable to the Owner and the surety shall be such surety company or companies as are acceptable to the Owner and as are authorized to transact business in the Commonwealth of Virginia. The cost of such bonds shall be included in the Contractor's proposal amount.
- 4.23.2 The Contractor shall require that all sureties providing bonds for the Project will give written Notice to the Owner, at least thirty (30) days prior to the expiration or termination of the bond(s).
- 4.23.3 If, at any time, any surety or sureties becomes insolvent or is determined by the Owner to be unable to adequately secure the interest of the Owner, the Contractor shall within (30) days after Notice from the Owner to do so, substitute an acceptable bond(s) in such form and sum and signed by such other sureties as may be satisfactory to the Owner. The premiums on such bond(s) shall be paid by the Contractor.

ARTICLE 5 SUBCONTRACTORS

5.1 DEFINITIONS

- 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform or supply any of the Work at the site. The term Subcontractor is referred to throughout the Contract Documents as if singular in number and masculine in gender and means a Subcontractor or his authorized representative. The term Subcontractor does not include any separate contractor or his Subcontractors.
- 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform or supply any of the Work at the site. The term Sub-subcontractor is referred to throughout the Contractor Documents as if singular in number and masculine in gender and means a Sub-subcontractor or an authorized representative thereof.
- 5.1.3 The A/E will not deal directly with any Subcontractor or Sub-subcontractor or materials supplier. Subcontractor, Sub-subcontractors or material suppliers shall route requests for information or clarification through the Contractor to the A/E, with a copy to the Owner.

5.2 AWARD OF SUBCONTRACT AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

- 5.2.1 The Contractor shall submit to the Owner with a copy to the A/E prior to the award of any subcontract for work under this contract and thirty (30) calendar days after the award of this contract, the names of the suppliers of principal items, systems, materials, and equipment proposed for the Work; the names and addresses, business and emergency phones of the Subcontractors which he proposes to employ under this contract, as well as such other information as may be requested by the Owner. The Owner will review each Subcontractor and supplier based upon his apparent financial soundness and responsibility, his known or reported performance on previous similar work, and his available plant, equipment and personnel to perform the Work. The Contractor shall not employ a Subcontractor or supplier to whom the Owner reasonably objects. The Owner's objection to a proposed Subcontractor or supplier shall not affect the contract price.
- 5.2.2 The Contractor shall make no substitutions for any Subcontractor, person or entity previously selected unless first submitted to the City for review.

5.3 SUBCONTRACTUAL RELATIONS

- 5.3.1 By an appropriate written agreement the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by the terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities which the Contractor, by these Documents assumes toward the Owner and the A/E. Said agreement shall preserve and protect the rights of the Owner and the A/E under the Contract Documents with respect to the Work to be performed by the Subcontractor so that the subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the Contractor-Subcontractor agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by these Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar

agreements with his Sub-subcontractor's. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract, copies of all of the Contract Documents, and identify to the Subcontractor any terms and conditions of the proposed subcontract which may be at variance with the Contract Documents. Each Subcontractor shall similarly make copies of such Documents available to his Sub-subcontractor's. Each subcontract agreement shall insure that all appropriate provisions of the Contract Documents are complied with by the Subcontractor.

- 5.3.2 The provisions herein regarding the City's reasonable objection to any Subcontractor shall in no way affect the liability of the Contractor to Owner regarding performance of all obligations by or payment of Subcontractors. The City's failure to object to any given Subcontractor shall not relieve the Contractor of his obligation to perform or have performed to the full satisfaction of the Owner all of the work required by this Contract.
- 5.3.3 Neither this article nor any other provision of the contract documents shall be deemed to make the Owner a joint venture or partner with the Contractor or to place the Subcontractor and materialmen in privity of contract with the Owner.

5.4 QUALIFICATION SUBMITTALS

- 5.4.1 Specific qualification submittals may be required of the Contractor, Subcontractors, installers and suppliers for certain critical items of the Work. Required qualification submittals are set forth in detail in the Instruction to Bidders and shall be provided, collected and submitted by the Contractor to the A/E with copies to the Owner. All information required of a single Subcontractor, installer or supplier shall be contained in a single, complete submittal. The Contractor shall submit the required qualification information within ten (10) days after receipt of the Owner's request.
- 5.4.2 The Owner shall reject any proposed Subcontractor, installer or supplier, or any qualification submittals related thereto, for the following reasons:
- .1 The Contractor's failure to submit requested information within the specified time; or
 - .2 The Contractor's failure to provide all of the requested information; or
 - .3 The Contractor's submission of a Subcontractor, installer or supplier, or qualifications thereof, which are unacceptable in the judgment of the Owner.
- 5.4.3 Should the Owner have reasonable objection to any proposed Subcontractor, installer or supplier, the Contractor shall submit another firm for approval by the Owner at no additional cost to the Owner.

ARTICLE 6 WORK BY OWNER OR BY SEPARATE CONTRACTORS

6.1 OWNER'S RIGHT TO PERFORM WORK AND TO AWARD SEPARATE CONTRACTS

- 6.1.1 The Owner reserves the right to perform work related to the Project with his own forces, and to award separate contracts in connection with other portions of the Project or other work on the site.

- 6.1.2 When separate contracts are awarded for different portions of the Project or other work on the site, the term Contractor in the Contract Documents in each case shall mean the Contractor who executes each separate Construction Agreement.

6.2 *MUTUAL RESPONSIBILITY*

- 6.2.1 The Contractor shall afford other contractors and the Owner reasonable opportunity for the introduction and storage of their materials and equipment and the execution of their work and shall properly connect and coordinate the Work with such other work. The Contractor shall coordinate his Work with the Owners and other contractors to store his apparatus, materials, supplies and equipment in such orderly fashion at the site of the Work as will not unduly interfere with the progress of the Work or the work of any other contractors.

- 6.2.1.1 If the execution or result of any part of the Work depends upon any work of the Owner or of any separate contractor, the Contractor shall, prior to proceeding with the Work, inspect and promptly report to the Owner in writing any apparent discrepancies or defects in such work of the Owner or of any separate contractor that render it unsuitable for the proper execution or result of any part of the Work.

- 6.2.1.2 Failure of the Contractor to so inspect and report shall constitute an acceptance of the Owner's or separate contractor's work as fit and proper to receive the Work, except as to defects which may develop in the Owner's or separate contractor's work after completion of the Work and which the Contractor could not have discovered by its inspection prior to completion of the Work.

- 6.2.2 Should the Contractor cause damage to the work or property of the Owner or of any separate contractor on the Project, or to other work on the Site, or delay or interfere with the Owner's work on ongoing operations or facilities or adjacent facilities or said separate contractor's work, the Contractor shall be liable for the same; and, in the case of another contractor, the Contractor shall attempt to settle said claim with such other contractor prior to such other contractor's institution of litigation or other proceedings against the Contractor.

If such separate contractor sues the Owner on account of any damage, delay or interference caused or alleged to have been so caused by the Contractor, the Owner shall notify the Contractor, who shall defend the Owner in such proceedings at the Contractor's expense. If any judgment or award is entered against the Owner, the Contractor shall satisfy the same and shall reimburse the Owner for all damages, expenses, and other costs that the Owner incurs as a result thereof.

- 6.2.3 Should Contractor have a dispute with a separate contractor with whom the Owner has contracted regarding damage to the Work or the property of Contractor or to the Work or property of said separate contractor or with regard to any delays or interferences which either Contractor or said separate contractor has caused to the performance of the other's Work, Contractor agrees to attempt to settle such dispute directly with said separate contractor. Contractor agrees that it will not seek to recover from the Owner any damages, costs, expenses (including, but not limited to, attorney's fees) or losses of profit incurred by the Contractor as a result of any damage to the Work or property of the Contractor or for any delay or interference caused or allegedly caused by any separate contractor.

6.3 OWNER'S RIGHT TO CLEAN UP

- 6.3.1 If a dispute arises between the Contractor and separate contractors as to their responsibility for cleaning up as required by Article 4 Contractor, the Owner may clean up and charge the cost thereof to the Contractor responsible therefore as the Owner shall determine to be just.

ARTICLE 7 MISCELLANEOUS PROVISIONS

7.1 GOVERNING LAW

The provisions of this contract shall be interpreted in accordance with the laws, ordinances, regulations, permits and resolutions of the Commonwealth of Virginia, The City of Lynchburg, and any applicable municipality.

7.2 PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included herein and if through mistake or otherwise, any such provision is not inserted or is not correctly inserted, then upon the application of either party, the Contract shall forthwith be physically amended to make such insertion.

7.3 SUCCESSORS AND ASSIGNS

The Owner and the Contractor each binds himself, his partners, successors, assigns and legal representatives to the other party hereto and to the partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in the Contract Documents. Neither party to the Contract shall assign the Contract or sublet it as a whole without the written consent of the other, nor shall the Contractor assign any monies due or to become due to him hereunder, without the previous written consent of the Owner and the Contractor's Surety.

In the event the Contractor desires to make an assignment of all or part of the Contract or any monies due or to become due hereunder, the Contractor shall file a copy of consent of surety, together with a copy of the assignment to the Owner and A/E. In the event the Contractor assigns all or any part of the monies due or to become due under this Contract, the instrument of assignment shall state that the right of assignees in and to any monies due to or to become due to Contractor shall be subject to prior liens and claims of all persons, firms and corporations that provided labor services or furnished material and equipment during the performance of the Work. The rights of assignees shall further be subject to the payment of any liens, claims, or amounts due to Federal, State, or Local governments.

7.4 RIGHTS AND REMEDIES

- 7.4.1 The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law, not inconsistent

with the Contract Documents. No time limitations described in this Contract shall be construed to alter the applicable statutory period of limitations with regard to the enforcement of the obligations of the parties.

- 7.4.2 No action or failure to act by the Owner, A/E or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.
- 7.4.3 Contractor agrees that he can be adequately compensated by money damages for any breach of this Contract which may be committed by the Owner and hereby agrees that, no default, act, or omission of the Owner or the Architect, except for failure to make payments as required by the Contract Documents, shall constitute a material breach of the Contract entitling Contractor to cancel or rescind the provisions of this Contract or (unless the Owner shall so consent or direct in writing) to suspend or abandon performance of all or any part of the Work. Contractor hereby waives any and all rights and remedies to which he might otherwise be or become entitled, saving only its right to money damages.

7.5 SEVERABILITY

In the event that any provision of this contract shall be adjudged or decreed to be invalid, such ruling shall not invalidate the entire agreement but shall pertain only to the provision in question and the remaining provisions shall continue to be valid, binding, and in full force and effect.

7.6 TESTS

- 7.6.1 If the Contract Documents, laws, ordinances, rules, regulations, permits, resolutions or orders of any public authority having jurisdiction require any portion of the Work to be inspected, tested or approved, the Contractor shall give the Owner at least 24 hours notice of its readiness so that the Owner or the A/E or other representatives of the Owner may observe such inspection, testing or approval. The Contractor shall bear all costs of such inspections, tests or approvals conducted by public authorities. Site inspections, tests conducted on site or tests of materials gathered on site, which the contract requires to be performed by independent testing entities, shall be contracted and paid for by the Contractor. Examples include, but are not limited to, the testing of cast-in-place concrete, foundation materials, soil compaction, pile installations, caisson bearings, and steel framing connections.
- 7.6.2 All materials and workmanship (if not otherwise designated by the specifications) shall be subject to inspection, examination or test by the Owner, A/E, and other representatives of the Owner, at any and all times during the manufacture and/or construction and at any and all places where such manufacture and/or construction are carried on. Special, full-sized and performance tests shall be as described in the specifications. Without additional charge, the Contractor shall furnish promptly all reasonable facilities, labor and materials necessary to make tests safe and convenient.
- 7.6.3 The selection of bureaus, laboratories and/or agencies for the inspection and tests of supplies, materials or equipment shall be subject to the approval of the Owner. Satisfactory documentary evidence, including but not limited to certificates of inspection and certified test reports, that the material has passed the required inspection and tests

must be furnished to the Owner, with a copy to the A/E, by the Contractor prior to the incorporation of the materials in the Work or at such times as to allow for appropriate action by the Owner.

- 7.6.4 Inspection or testing performed exclusively for the Contractor's convenience shall be the sole responsibility of the Contractor. Tests required by Contractor's or Subcontractor's error, omission or non-compliance with the Contract Documents, shall be paid for by the Contractor.
- 7.6.5 It is specifically understood and agreed that an inspection and approval of the materials by the Owner shall not in any way subject the Owner to pay for the said materials or any portion thereof, even though incorporated in the Work, if said materials shall in fact turn out to be unfit to be used in the Work, nor shall such inspection be considered as any waiver of objection to the Work on account of the unsoundness or imperfection of the material used.

ARTICLE 8 CONTRACT TIME

8.1 DEFINITION

- 8.1.1 Unless otherwise provided, the Contract Time is the period of time specified in the Construction Agreement for Substantial Completion of the Work as defined herein, including authorized adjustments thereto. The Contractor shall complete his Work within the Contract Time.
- 8.1.2 The date of commencement of the Work is the date established in the Notice to Proceed

The Contractor shall not commence work or store materials or equipment on site until written Notice to Proceed is issued or until the Contractor otherwise receives the Owner's written consent. The Contractor shall commence work no later than ten (10) days after the date established in the Notice to Proceed.
- 8.1.3 The date of Substantial Completion of the Work or designated portion thereof is the date determined by Owner when: (1) construction is sufficiently complete, in accordance with the Contract Documents, so the Owner can occupy or utilize the Work or designated portion thereof for the use for which it is intended; and (2) the Contractor has satisfied all other requirements for Substantial Completion which may be set forth in the Contract Documents.
- 8.1.4 The date of Final Completion of the Work is the date determined by the Owner when the Work is totally complete, to include punch list work, in accordance with the Contract Documents and the Owner may fully occupy and utilize the Work for the use for which it is intended.
- 8.1.5 The term "day" as used in the Contract Documents shall mean calendar days unless otherwise specifically designated.

8.2 PROGRESS AND COMPLETION

- 8.2.1 All time limits stated in the Contract Documents are of the essence of the Contract.

- 8.2.2 The Contractor shall begin the Work on the date of commencement as defined herein. He shall carry the Work forward expeditiously with adequate forces and shall achieve Substantial and Final Completion as required by the Contract Documents.

8.3 CLAIMS FOR TIME EXTENSIONS

- 8.3.1 The time during which the Contractor is delayed in the performance of the Work by the acts or omissions of the Owner, the A/E or their employees or agents, acts of God, unusually severe and abnormal climatic conditions, fires, floods, epidemics, quarantine restrictions, strikes, riots, civil commotion or freight embargoes, or other conditions beyond the Contractor's control and which the Contractor could not reasonably have foreseen and provided against, shall be added to the time for completion of the Work (i.e., the Contract Time) stated in the Agreement; however, no claim by the Contractor for an extension of time for delays will be considered unless made in compliance with the requirements of this Article and other provisions of the Contract Documents.
- 8.3.2 The Owner shall not be obligated or liable to the Contractor for, and the Contractor hereby expressly waives any claims against the Owner on account of any indirect or direct damages, costs or expenses of any nature which the Contractor, its Subcontractors, or Sub-subcontractor's or any other person may incur as a result of (1) any delays, reasonable or unreasonable, foreseeable or unforeseeable which are either not caused by the acts or omissions of the Owner, its agents or employees or which arise from or out of (or due to) causes not within the control of the Owner, its agents or employees, or (2) any reasonable delay regardless of its cause, it being understood and agreed that the Contractor's sole and exclusive remedy in any such events shall be an extension of the Contract Time, but only as determined in accordance with the provisions of the Contract Documents.
- 8.3.3 The burden of proof to substantiate a claim for an extension of the Contract Time shall rest with the Contractor, including evidence that the cause was beyond his control. It shall be deemed that the Contractor has control over the supply of labor, materials, equipment, methods and techniques of construction and over the Subcontractors and suppliers, unless otherwise specified in the Contract Documents.
- 8.3.4 In the event of Changes in the Work, the Contractor must identify any additional time required in the Proposed Change Order. The Owner need not consider any time extensions for Changes in the Work not included in the Proposed Change Order.
- 8.3.5 No time extensions will be granted as a result of the Contractor's improper or unreasonable scheduling or for the Contractor's failure to have Shop Drawings, Product Data, Samples or Manuals submitted in ample time for review under a reasonable and agreed upon schedule.
- 8.3.6 Delays by Subcontractors or suppliers will not be considered justification for a time extension, except for the same valid reasons and conditions enumerated herein.
- 8.3.7 The Contractor acknowledges and agrees that actual delays due to changes, suspension of work or excusable delays, in activities which according to the schedule do not affect the Contract Time will not be considered to have any effect upon the Contract Time and therefore will not be the basis for a time extension.
- 8.3.8 The Contractor acknowledges and agrees that time extensions will be granted only to the extent that: (1) excusable delays exceed the available flexibility in the Contractor's

schedule; and (2) Contractor can demonstrate that such excusable delay actually caused, or will cause, delay to the Contractor's schedule that will extend the Contract Time.

- 8.3.9 With respect to Suspensions of Work under Paragraph 3.6 Suspension of Work herein, the Contractor shall be entitled to an extension of the Contract Time not to exceed the length of time that the Work was suspended (unless as determined under this Article and the other requirements of the Contract Documents that a further extension is justified and warranted) if the claim is submitted in accordance with the requirements of this Article, and if the suspension is not due to any act or omission of the Contractor, any Subcontractor or Sub-subcontractor or any other person or organization for whose acts or omission the Contractor may be liable. The Contractor's claim will be evaluated in accordance with the terms of this Article.
- 8.3.10 The Contractor shall not be entitled to any extension of time for delays resulting from any conditions or other causes unless it shall have given written Notice to the Owner, within seven (7) calendar days following the commencement of each such condition or cause, describing the occurrence, the activities impacted and the probable duration of the delay. The Contractor's complete claim submittal for a time extension shall be submitted no later than twenty (20) calendar days after cessation of the delay or within such other longer period as the Owner may agree in writing to allow.
- 8.3.11 No such extension of time shall be deemed a waiver by the Owner of his right to terminate the Contract for abandonment or delay by the Contractor as herein provided or to relieve the Contractor from full responsibility for performance of his obligations hereunder.

8.4 CHANGE ORDER WORK

- 8.4.1 The Contractor shall make every reasonable effort to perform Change Order work within the Contract Time and in such manner as to have minimum delaying effects on all remaining work to be performed under the contract. If, however, the Change Order work results in an unavoidable increase in the time required to complete the project, an extension of the Contract Time may be granted to the Contractor for the Change Order work. The Contractor's request therefore shall be determined in accordance with the provisions of Article 8.3 Claims for Time Extensions herein and as follows:
- .1 If the time required for performance of the Change Order work has an unavoidable direct delaying effect on the primary sequence of work activities remaining after rescheduling (e.g., the critical path in CPM type scheduling), the overall contract time may be extended by the minimum number of days required for the Change Order work as mutually agreed upon by the Owner and the Contractor;
 - .2 If the time required for performance of the Change Order work does not have an unavoidable direct delaying effect on the primary sequence of work activities but is ordered by the Owner at a time such that insufficient Contract Time remains for completion of the Change Order work (and any limited number of contingent work activities), the Contract Time may be extended by the minimum number of days required for the Change Order work as mutually agreed upon by the Owner and the Contractor but only for the Change Order work and contingent activities, all other unaffected work shall be performed within the Contract Time;

- .3 Failure of the Owner and the Contractor to agree on a Contract Time extension as specified in .1 and .2 above shall not relieve the Contractor from proceeding with and performing the Change Order work promptly, as well as in such manner as to have minimal delaying effects on all remaining work to be performed under the Contract. Such disagreement shall be resolved as soon as practical by negotiation.

8.5 LIQUIDATED DAMAGES FOR DELAY

- 8.5.1 The damages incurred by the Owner due to the Contractor's failure to complete the Work within required Milestone dates and the Contract Time, including any extensions thereof, shall be in the amount set forth in the Construction Agreement, for each consecutive day beyond the Milestone dates or the Contract Time (Sundays and all holidays included) for which the Contractor shall fail to complete the Work.
- 8.5.2 The amount of liquidated damages provided in this Contract is neither a penalty nor a forfeiture and shall compensate the Owner solely for the Owner's inability to use the Work for its fully intended purpose, and is not intended to, nor does said amount include: (1) any damages, additional or extended costs, incurred by the Owner for extended administration of this Contract, or by the Owner's agents, consultants or independent contractors for extended administration of this Contract, or (2) any additional services, relating to or arising as a result of the delay in the completion of the Work. Owner shall be entitled to claim against Contractor for its actual damages and any amounts not specifically included within the liquidated damages as set forth herein. Such costs shall be computed separately and together with liquidated damages, either deducted from the Contract Sum or billed to the Contractor, at the option of the Owner.

8.6 TIME EXTENSIONS FOR WEATHER

- 8.6.1 The Contract Time will not be extended due to inclement weather conditions that are normal to the general locality of Work site. The time for performance of this Contract includes an allowance for workdays (based on a 5-day workweek) which, according to historical data, may not be suitable for construction work.
- .1 The following is the schedule of monthly anticipated normal inclement weather workdays for the project location and will constitute the base line for monthly weather time extension evaluations.

ANTICIPATED NORMAL INCLEMENT WEATHER WORK-DAYS INCLUDED IN THE CONTRACT TIME OF PERFORMANCE											
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
7	7	7	7	9	7	7	7	6	6	6	7

- 8.6.2 The Contractor, in his planning and scheduling of the Work as required by the Contract Documents, shall allow for the normal inclement weather for the locality of the Work site. If the Contractor believes that the Progress of the Work has been adversely affected and that it will directly result in a failure to meet Completion within the Contract Time, by weather conditions above and beyond the amount normally expected, he shall submit a written request to the Owner with a copy to the A/E for an Extension of Time, pursuant to Paragraph 8.3 Claims for Time Extensions.

- 8.6.3 Such request shall be evaluated by the Owner in accordance with the provisions of the Contract Documents and shall include a comparison of actual weather statistics compiled by City of Lynchburg's Department of Public Works, for the time of year, locality of the particular Work site with the days claimed by the Contractor and the anticipated normal inclement weather as stated in subparagraph 8.6.1. The normal inclement weather expected has been included in the designated Contract time for completion. The decision of the Owner shall be final.
- 8.6.4 The Contractor shall not be entitled to any money damages whatsoever for any delays resulting from inclement weather, whether normal or abnormal, foreseeable or unforeseeable. The Contractor and Owner stipulate and agree that for delays due to weather as determined in 8.6.3, the Contractor's sole relief is a time extension granted in accordance with this Article 8.6 Time Extensions for Weather.

ARTICLE 9 PAYMENTS AND COMPLETION

9.1 *CONTRACT SUM*

- 9.1.1 The Contract Sum is stated in the Construction Agreement and, including authorized adjustments thereto, is the total amount payable by the Owner to the Contractor for the performance of the Work under the Contract Documents. The Contract Sum includes, but is not limited to, the Contractor's profit and general overhead and all costs and expenses of any nature whatsoever (including without limitation taxes, labor and materials), foreseen or unforeseen, and any increases in said costs and expenses, foreseen or unforeseen, incurred by the Contractor in connection with the performance of the Work, all of which costs and expenses shall be borne solely by the Contractor. The Contractor agrees to assume all increases in costs of any nature whatsoever that may develop during the performance of the Work.

9.2 *SCHEDULE OF VALUES*

- 9.2.1 For Lump Sum Price Type Contracts, before the pre-construction meeting, the Contractor shall submit to the Owner and A/E, a schedule of values allocated to the various portions of the Work, prepared on payment forms provided by the Owner and supported by such data to substantiate its accuracy as the Owner may require. This schedule of values, unless rejected by the Owner, shall be used as a basis for the Contractor's Applications for Payment.
- 9.2.2 For Unit Price type contracts, the Contractor shall utilize the payment request form provided by the Owner, wherein the schedule of values shall correspond with the individual unit price bid items. When so requested by the Owner, the Contractor shall provide a more detailed cost breakdown of the unit price items.
- 9.2.3 Contractor may include in his schedule of values a line item for "mobilization" which shall include a reasonable amount for mobilization for the Contractor and his Subcontractors. The Contractor shall not front-end load his schedule of values.

9.3 APPLICATION FOR PAYMENT

- 9.3.1 The Contractor shall submit to the A/E three (3) originally executed, itemized Application for Payment (and one (1) copy to the Owner) by the tenth of each month, along with any authorized change orders for that billing cycle. The Application for Payment shall be notarized, indicate in complete detail all labor and material incorporated in the Work during the month prior to submission, and supported by such data substantiating the Contractor's payment request as the Owner may require. The Application for Payment shall also contain Contractor's certification that due and payable amounts and bills have been paid by the Contractor for work for which previous Certificates of Payment were issued and payments received from the Owner.
- 9.3.2 Payment may be made for the value of materials, which are to be incorporated into the finished Work, and which are delivered to and suitably stored and protected on the Work site. The Contractor shall provide releases or paid invoices from the Seller to establish, to the Owner's satisfaction, that the Owner has title to said material. Stored materials shall be in addition to the Work completed and shall be subject to the same retainage provisions as the completed Work. Material once paid for by the Owner becomes the property of the Owner and may not be removed from the Work site without the Owner's written permission.
- 9.3.3 The requirements for the payment of materials stored on-site shall remain unchanged. The requirements for payment for materials stored off-site shall include, but is not limited to, those specified in Paragraph 9.3.2 and the additional requirements hereinafter specified. Material stored off-site under this provision shall be included in the definition of Work, Article 1 Contract Documents.
- 9.3.3.1. The requirements of Paragraph 10.2 Safety of Persons and Property are fully applicable to materials stored off-site.
- 9.3.3.2 For purposes of administering this provision, the following definitions are provided.
- a. Material stored NEAR the Work Site: A storage location shall be considered near the work site if it is not more than fifty (50) miles (approximately a one-hours drive) from the Work Site.
 - b. Material stored DISTANT from the Work Site: Locations beyond the limit of fifty (50) miles shall be considered distant.
- 9.3.3.3 All proposed off-site locations, regardless of whether they are near or distant, shall be approved by the Owner prior to any payment under this Article. The approval process will include an inspection of the proposed storage site, which may or may not coincide with any inspection of materials stored.
- 9.3.3.4 Prior to payment for any material stored off-site, said material shall be inspected to verify that it is properly stored; i.e., segregated, inventoried, identified as the property of the Owner and Contractor and duly protected as required in Article 10.2 Safety of Persons and Property. This material shall be clearly identified and physically segregated from any other material or stock, in such a manner that it is clear, from casual observation and that said material is not a part of any other stock or stored material.

- 9.3.3.5 For materials stored distant to the Work site, the Contractor shall reimburse the Owner for all reasonable costs incurred by the Owner, to include but not limited to salary, transportation, lodging and per diem, for the Owner's or the A/E's employees to travel to and from the storage locations for the purpose of verifying the material is properly stored. It is anticipated that such trips would occur whenever additional material is claimed for payment and/or at least every six (6) months until the material is delivered to the work site.
- 9.3.3.6 Except for unusual circumstances, the Contractor will not be required to reimburse the Owner's costs for visits to storage locations near the work site.
- 9.3.3.7 The Contractor shall hold the Owner harmless from any and all losses, additional costs, direct or indirect damages and/or delays, whatsoever, which may occur as a result of a failure of the Contractor to deliver (or have delivered), in a timely manner, materials (for which payment has been made) to the work site for installation and incorporation into the Work.
- 9.3.3.8 The Contractor shall provide to the Owner, a Release of Lien or other suitable certification by the Seller, in addition to paid invoices, verifying that the Contractor has valid title to all materials for which payment is requested. The Seller, however, shall not be required to waive his rights for recovery, if his contract is breached.
- 9.3.4 The Contractor warrants that title to all Work, materials and equipment covered by an Application for Payment will pass to the Owner either by incorporation in the construction or upon the receipt of payment by the Contractor, whichever occurs first, free and clear of all liens, claims, security interests or encumbrances, hereinafter referred to as "liens". The Contractor further warrants that no Work, materials or equipment covered by an Application for Payment will have been acquired by the Contractor or by any other person performing Work at the site or furnishing materials and equipment for the Project that is subject to an agreement under which an interest therein or an encumbrance thereon is retained by the seller or otherwise imposed by the Contractor or such other person.
- 9.3.5 The Contractor's Application for Payment shall provide that the payment request attests that all Work for which the request is made has been completed in full according to the drawings, specifications and other terms of the Contract Documents. By submitting his Application for Payment, the Contractor also represents that he has no knowledge that any Subcontractor or suppliers have not been fully and timely paid and that, insofar as he knows, the only outstanding items for payment with respect to the Contract are those to be paid from the funds for which Application is being made.

9.4 CERTIFICATES FOR PAYMENT

- 9.4.1 The A/E will, within seven (7) calendar days after the receipt of the Contractor's Application for Payment, recommend a Certificate for Payment to the Owner, for such amount as the A/E determines is properly due, with his reasons for withholding or adjusting a Certificate as provided in Paragraph 9.6 Payments Withheld, if any.
- 9.4.2 After the Certificate for Payment is recommended by the A/E, the Owner will review it and make any changes deemed necessary by the Owner's Representative. The recommendation of the Certificate for Payment by the A/E does not waive or limit the Owners right to reduce the amount of the payment due to the Contractor as determined to be appropriate by the Owner.

- 9.4.3 The recommendation of a Certificate for Payment will constitute a representation by the A/E to the Owner, based on his observations at the site as provided in Article 2 Architect/Engineer hereof and the data comprising the Application for Payment, that the Work has progressed to the point indicated; that, to the best of his knowledge, information and belief: (1) the quality of the Work is in accordance with the Contract Documents (subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial or Final Completion, to the results of any subsequent tests required by or performed under the Contract Documents, to minor deviations from the Contract Documents correctable prior to completion, and to any specific qualifications stated in his Certificate); and that (2) the Contractor is entitled to payment in the amount certified. However, by recommending a Certificate for Payment, the A/E shall not thereby be deemed to represent that he has made exhaustive or continuous on-site inspections to check the quality or quantity of the Work or that he has reviewed the construction means, methods, techniques, sequences or procedures, or that he has made any examination to ascertain how or for what purpose the Contractor has used the moneys previously paid on account of the Contract Sum.
- 9.4.3.1 (1) The form of each application for payment shall be on a form approved by the City. Payment for stored material delivered but not incorporated in the work will be the invoiced amount only. Stored materials drawdown shall be approved by the Owner. Submit applicable invoices with Application for Payment. Monthly partial payment request shall be submitted in **TRIPPLICATE** to Owners representative for approval by the 25th of the month so that the Owner can approved payment request by the first working day of the next month. Partial payments shall be made on a monthly basis on or before the end of the next month for which the work was performed, in accordance with the Contract Documents.
- (2) The Owner shall pay to the Contractor 95 percent of the total amount due and the Owner shall retain ten (5) percent of the amount due until all work has been performed strictly in accordance with the Contract Documents and until such work has been accepted by the Owner.
- 9.5.1 The Owner shall make payment in the manner and within thirty (30) calendar days after receipt of the Certificate of Payment from the A/E based upon the Owner's approval or adjustment of said Certificate. The Contractor shall be paid the amount approved or adjusted by the Owner, less 5% retainage which is being held to assure faithful performance; provided however, that said retainage is not applicable to Time and Material Change Orders.
- 9.5.1.1 In relation to punch list or other uncompleted work and in lieu of a portion of the above-specified five- percent 5% retainage, the Owner may, at its sole discretion, elect to retain fixed amounts directly relating to the various items of uncompleted Work. All amounts withheld shall be included in the Final Payment.
- 9.5.2 The Contractor shall, within seven (7) days after receiving payment from the Owner, do one of the following:
1. Pay all Subcontractors for the proportionate share of the total payment received from the Owner for work performed by each Subcontractor under the contract; or

2. Notify the Owner and Subcontractor(s), in writing, of his intention to withhold all or part of the Subcontractor's payment with the reason for nonpayment.

- 9.5.3 The Contractor shall make payment to Subcontractors as heretofore specified. Each payment shall reflect the percentage actually retained, if any, from payments to the Contractor on account of such Subcontractor's Work.
- 9.5.4 The Contractor shall provide the Owner with his social security number, if an individual and their federal identification number if a corporation, partnership, or proprietorship.
- 9.5.5 The Contractor shall be obligated to pay unpaid Subcontractors interest on payments that are not made in accordance with this Article 9.5 Progress Payments. The rate of interest shall be in compliance with the Prompt Payment section of the Virginia Public Procurement Act of the Code of Virginia. The Contractor shall, by an appropriate agreement with each Subcontractor require each Subcontractor to make payments to his sub-subcontractors according to all the same requirements as provided in this Article 9.5 Progress Payments.
- 9.5.6 The Owner may, upon written request, furnish to any Subcontractor, if practicable, information regarding the percentages of completion or the amounts applied for by the Contractor and the action taken thereon by the Owner on account of Work done by such Subcontractor.
- 9.5.7 Neither the Owner nor the A/E shall have any obligation to pay or to see to the payment of any monies to any Subcontractor except as may otherwise be required by law.
- 9.5.8 No Certificate for a progress payment, nor any progress payment, nor any partial or entire use or occupancy of the Project by the Owner, shall constitute an acceptance of any Work not in accordance with the Contract Documents.

9.6 PAYMENTS WITHHELD

- 9.6.1 The Owner may withhold the payment in whole or in part, if necessary to reasonably protect the Owner. If the A/E is unable to make representations as provided in subparagraph 9.4.3 and to recommend payment in the amount of the application, he will notify the Owner as provided in subparagraph 9.4.1. If the Contractor and the Owner cannot agree on a revised amount, the Owner will promptly issue a Certificate for Payment for the amount for which he is able to make representations with respect to payment due for work performed. The Owner may also decline to certify or make payment or, because of subsequently discovered evidence or subsequent observations, the Owner may nullify the whole or any part of any Certificate for Payment previously issued.
- 9.6.2 The Owner may withhold from the Contractor so much of any payment approved by the A/E, as may in the judgment of the Owner be necessary:
- .1 To protect the Owner from loss due to defective work not remedied;
 - .2 To protect the Owner upon receipt of notice of the filing in court or in an arbitration proceeding as may be required in any third party contract, of verified claims of any persons supplying labor or materials for the Work, or other verified third party claims;

- .3 To protect the Owner upon reasonable evidence that the Work will not be completed for the unpaid balance of the Contract Sum;
- .4 To protect the Owner upon reasonable evidence that the Work will not be completed within the Contract Time established by this Contract; or
- .5 To protect the Owner upon the Contractor's failure to properly schedule and coordinate the work in accordance with or as required by the Contract Documents, or failure to provide progress charts, revisions, updates or other scheduling data as required by the Contract Documents, or upon the Contractor's failure to provide as-built drawings as required herein, or upon Contractor's failure to otherwise substantially or materially comply with the Contract Documents.

9.6.3 If required by the Construction Agreement, the Contractor shall, concurrent with his submission of the Construction Schedule, submit a practicable and realistic payment schedule showing the dates on which the Contractor will submit each and every Application for Payment and the amount he expects to receive for each and every monthly progress payment. If during the performance of the Work, the Contractor expects to receive an amount for a monthly progress payment larger than that indicated on the payment schedule the Contractor shall notify the Owner at least thirty (30) days in advance of that payment so that the necessary allocation of funds can be processed. In the event the Contractor fails to submit a practicable and realistic payment schedule, the Contractor's Application for Payment shall be honored only to the extent that the Work is actually performed and that the proportion of payments made to the Contract Sum does not exceed the proportion of the Contract Time expired as of the time of the request.

9.7 FAILURE OF PAYMENT

If the Owner does not make payment to the Contractor within the thirty (30) calendar days after receipt of the Contractor's Application for Payment by the A/E through no fault of Contractor, and the Owner otherwise not being entitled under the Contract Documents or applicable law to withhold payment, then the Contractor may, upon fifteen (15) additional days' written Notice to the Owner and the A/E, stop the Work until payment of the amount owing has been received. In such event, the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, which shall be effected by appropriate Change Order as provided herein.

9.8 SUBSTANTIAL COMPLETION AND GUARANTEE BOND

9.8.1 Unless otherwise specified in Article 9.9 Final Completion and Final Payment, when the Contractor considers that the Work, or a designated portion thereof which is acceptable to the Owner, is substantially complete as defined in Article 8 Contract Time, the Contractor shall request in writing that the A/E and the Owner perform a Substantial Completion inspection. Prior to such inspection the Contractor shall:

- .1 If applicable, secure a Certificate of Occupancy for the Project or a designated portion thereof; and
- .2 Submit five (5) copies each of the Operations and Maintenance Manuals to the A/E as specified and one (1) copy to the Owner.

- 9.8.2 The Owner shall determine whether the project is substantially complete and shall compile a punch list of items to be completed or corrected. The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.
- 9.8.3 When the Owner on the basis of his inspection determines that the Work or a designated portion thereof is substantially complete, the A/E will then prepare a Certificate of Substantial Completion which shall establish the Date of Substantial Completion and shall state the responsibilities of the Owner and the Contractor for security, maintenance, heat, utilities, damage to the Work and insurance. The Certificate of Substantial Completion shall be submitted to the Owner and the Contractor for their written acceptance of the responsibilities assigned to them in such Certificate.
- 9.8.4 The Contractor shall have thirty (30) days from the Date of Substantial Completion to complete all items on the punch list to the satisfaction of the Owner. If the Contractor fails to complete all punch list items within the designated time, the Owner shall have the option to correct or conclude any remaining items by utilizing its own forces or by hiring others. The cost of such correction of remaining punch list items by the Owner or others shall be deducted from the final payment to the Contractor.
- 9.8.5 Guarantees and warranties required by the Contract Documents shall commence on the Date of Final Completion of the Work, unless otherwise provided in the Certificate of Substantial or Final Completion, or the Contract Documents. Provided, however, that if Contractor does not complete certain punch list items within this time period, specified in 9.8.4, all warranties and guarantees for such incomplete Punch List items shall become effective upon issuance of final payment for the project.
- 9.8.5.1 The Contractor shall guarantee for a term of one (1) year from the date of Final Completion or Final Payment, (unless otherwise provided for in the Certificate(s) of Substantial or Final Completion or the Contract Documents): (1) the quality and stability of all materials equipment and Work; (2) all the Work against defects in materials, equipment or workmanship; and (3) all shrinkage, settlement or other faults of any kind which are attributable to defective materials or workmanship. The Contractor shall remedy at his own expense, when so notified in writing to do so by the Owner, and to the satisfaction of the Owner, the Work or any part thereof that does not conform to any of the warranties and guaranties described in the Contract Documents.
- 9.8.5.2 In order to make good the guarantee as herein required, the Contractor shall deposit with the Owner, after Substantial Completion but before Final Payment, a Guarantee Bond(s) issued by a surety licensed to do business in Virginia and otherwise acceptable to the Owner, for the faithful performance of the guarantee. Said Bond(s) shall be for a period of one (1) year and in the amount of five percent (5%) of the final gross value of the Contract.
- 9.8.5.3 The Contractor shall complete repairs during the guarantee period, within five (5) working days after the receipt of Notice from the Owner and if the Contractor shall fail to complete such repairs within the said five (5) working days, the Owner may employ such other person or persons as it may deem proper to make such repairs and pay the expenses thereof out of any sum retained by it, provided nothing herein contained shall limit the liability of the Contractor or his surety to the Owner for non-performance of the Contractor's obligations at any time.

- 9.8.6 The issuance of the Certificate of Substantial Completion does not indicate final acceptance of the project by the Owner, and the Contractor is not relieved of any responsibility for the project except as specifically stated in the Certificate of Substantial Completion.
- 9.8.7 Upon Substantial Completion of the Work, or designated portion thereof, and upon application by the Contractor and certification by the A/E, the Owner shall make payment, adjusted for retainage and payments withheld, if any, for such Work or portion thereof, as provided in the Contract Documents.
- 9.8.8 Should the Owner determine that the Work or a designated portion thereof is not substantially complete, he shall provide the Contractor a written Notice stating why the project or designated portion is not substantially complete. The Contractor shall expeditiously complete the work and shall re-request in writing that the Owner performs a substantial completion inspection.

9.9 FINAL COMPLETION AND FINAL PAYMENT

- 9.9.1 A Certificate of Final Completion shall be issued by the A/E prior to final payment. At the Owner's sole option, this Final Completion Certificate may be issued without a Certificate of Substantial Completion. The Contractor, prior to application for Final Payment and within the time specified for completion of the Work, shall complete all Work, to include punch list items and provide operating manuals and as-built data, for the Work, as completed and in place. Said Certificate of Final Completion shall be issued, even if a Certificate of Substantial Completion has been issued previously and temporary authority to operate the Work has been granted.
- 9.9.1.1 The Certificate of Final Completion shall certify that all Work has been completed in accordance with Contract Documents and is ready for use by the Owner.
- 9.9.2 For all projects where Substantial Completion Certificates have been issued for various portions of the Work, at differing times, the Contractor shall request and the Owner shall, prior to final payment, issue a Certificate of Final Completion which certifies that all required Work, including punch list items, has been completed in accordance with the Contract Documents.
- 9.9.3 Neither the final payment nor any remaining retainage shall become due until the Contractor submits to the A/E the following:
- .1 An Application for Payment for all remaining monies due under the contract.
 - .2 Consent of surety, if any, to final payment;
 - .3 If required by the Owner, other data establishing payment or satisfaction of all such obligations, such as receipts, releases and waivers of claims arising out of the Contract, to the extent and in such form as may be designated by the Owner. If any Subcontractor refuses to furnish waiver of claims satisfactory to the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify him against any such claim. If any such claim remains unsatisfied after all payments are made, the Contractor shall refund to the Owner all monies that the latter may be compelled to pay in discharging such claim, including all costs and reasonable attorneys' fees;

- .4 As-built drawings, operation and maintenance manuals and other project closeout submittals, as required by the Contract Documents;
- .5 Construction releases as required by the Contract Documents from each property owner on whose property an easement for construction of this project has been obtained by the Owner, such release to be in the forms to be provided by the Owner. This release is for the purpose of releasing the Owner and the Contractor from liability, claims, and damages arising from construction operations on or adjacent to the easement and includes proper restoration of the property after construction. It shall be the Contractor's sole responsibility to obtain all such releases and furnish them to the Owner; and
- .6 A written certification that:
 - .1 The Contractor has reviewed the requirements of the Contract Documents,
 - .2 The Work has been inspected by the Contractor for compliance with all requirements of the Contract Documents,
 - .3 Pursuant to this inspection, the Contractor certifies and represents that the Work complies in all respects with the requirements of the Contract Documents,
 - .4 The Contractor further certifies and represents that all equipment and systems have been installed in accordance with the Contract Documents and have been tested in accordance with specification requirements and are operational, and
 - .5 The Contractor hereby certifies and represents that the Work is complete in all respects and ready for final inspection.

- 9.9.4 Upon receipt of the documents required in subparagraph 9.9.3 and upon receipt of a final Application for Payment, the A/E and Owner will promptly make a final inspection. When the A/E finds the Work acceptable under the Contract Documents and the Contract fully performed, he will promptly issue a final Certificate for Payment and a Final Certificate of Completion.

The Certificate of Completion will state that to the best of his knowledge, information and belief, and on the basis of his observations and inspections, the Work has been completed in accordance with the terms and conditions of the Contract Documents and that the entire balance designated in the final certificate for payment is due and payable. The final Certificate for Payment will constitute a further representation that the conditions precedent to the Contractor's being entitled to final payment as set forth in Subparagraph 9.9.3 have been fulfilled. The Owner shall review the Certificate of Payment and shall accept it and issue final acceptance, or reject it and notify the Contractor, within ten (10) days. Final payment to the Contractor shall be made within thirty (30) days after final acceptance. All prior estimates and payments, including those relating to change order work shall be subject to correction by this final payment.

- 9.9.5 The making of Final Payment shall constitute a waiver of all claims by the Owner, except those arising from:

- .1 Unsettled claims;
- .2 Faulty, defective, or non-conforming Work discovered or appearing after Substantial or Final Completion;
- .3 Failure of the Work to comply with the requirements of the Contract Documents;
- .4 Terms of any warranties or guarantees required by the Contract Documents; or
- .5 Fraud or bad faith committed by the Contractor or any subcontractor or supplier during performance of work but discovered by Owner after Final Payment.

9.9.6 The acceptance of Final Payment shall constitute a waiver of all claims by the Contractor, except those previously made in writing and so identified by the Contractor, as unsettled at the time of the final Application for Payment. No payment, however, final or otherwise, shall operate to release the Contractor or his sureties from any obligations under this Contract or the Performance or the Guarantee Bonds.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

10.1 SAFETY PRECAUTIONS AND PROGRAMS

10.1.1 The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. The requirement applies continuously throughout the Contract performance, until Final Payment is made, and is not limited to regular working hours.

10.2 SAFETY OF PERSONS AND PROPERTY

10.2.1 The Contractor shall take all reasonable precautions for the safety of, and shall provide all reasonable protection to prevent damage, injury or loss to:

- .1 All employees on the Work and all other persons who may be affected thereby;
- .2 All the Work and all materials and equipment to be incorporated therein, whether in storage on or off the site, under the care, custody or control of the Contractor or any of his Subcontractors or Sub-subcontractor's. Machinery, equipment and all hazards shall be guarded or eliminated in accordance with the safety provisions of the Manual of Accident Prevention in Construction published by the Associated General Contractors of America, to the extent that such provisions are not in contravention of applicable law; and
- .3 Other property at the site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

10.2.2 The Contractor shall give all notices and comply with all applicable laws, ordinances, rules, regulations, permits, resolutions and lawful orders of any public authority bearing on the safety of persons or property or their protection from damage, injury or loss.

The Contractor shall at all times safely guard the Owner's property from injury or losses in connection with the Contract. He shall at all times safely guard and protect his own work and adjacent property as provided by law and the Contract Documents, from damage. All passageways, guard fences, lights and other facilities required for protection by local authorities or local conditions must be provided and maintained without additional cost to the Owner.

- 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and progress of the Work, all reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent utilities.
- 10.2.4 When the use or storage of explosives or other hazardous materials or equipment is necessary for the execution of the Work, the Contractor shall exercise the utmost care and shall carry on such activities under the supervision of properly qualified personnel.
- 10.2.5 The Contractor is responsible for the proper packing, shipping, handling and storage (including but not limited to shipment or storage at the proper temperature and humidity) of materials to be incorporated in the Work, so as to insure the preservation of the quality and fitness of the material for proper installation and incorporation in the Work, as required by the Contract Documents.

For example, but not by way of limitation, Contractor shall, when necessary, place material on wooden platforms or other hard and clean surfaces and not on the ground and/or place such material under cover or in any appropriate shelter or facility. Stored materials or equipment shall be located so as to facilitate proper inspection. Material and equipment that is delivered crated shall remain crated until ready for installation. Lawns, grass plots or other private property shall not be used for storage purposes without the written permission of the owner or lessee unless otherwise within the terms of the easements obtained by the Owner.

- 10.2.6 In the event of any indirect or direct damage to public or private property referred to in Paragraphs 10.2.1.2 and 10.2.1.3, caused in whole or in part by an act, omission or negligence on the part of the Contractor, any Subcontractor, any Sub-subcontractor, or anyone directly or indirectly employed by any of them or by anyone for whose acts any of them may be liable, the Contractor shall at his own expense and cost promptly remedy and restore such property to a condition equal to or better than existing before such damage was done. The Contractor shall perform such restoration by underpinning, replacing, repairing, rebuilding, replanting, or otherwise restoring as may be required or directed by the Owner, or shall make good such damage in a satisfactory and acceptable manner. In case of failure on the part of the Contractor to promptly restore such property or make good such damage, the Owner may, upon two (2) calendar days written Notice, proceed to repair, replace, rebuild or otherwise restore such property as may be necessary and the cost thereof, or a sum sufficient in the judgment of the Owner to reimburse the owners of property so damaged, will be deducted from any monies due or to become due the Contractor under the Contract.
- 10.2.7 The Contractor shall designate a responsible member of his organization at the site whose duty shall be the prevention of accidents and the protection of material, equipment and other property. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner.

- 10.2.8 The Contractor shall not load or permit any part of the Work to be loaded so as to endanger the safety of any portion of the Work.
- 10.2.9 The Contractor shall give notice in writing at least forty-eight (48) hours before breaking ground, to all persons, Public Utility Companies, owners of property having structures or improvements in proximity to site of the Work, superintendents, inspectors, or those otherwise in charge of property, streets, water pipes, gas pipes, sewer pipes, telephone cables, electric cables, railroads or otherwise, who may be affected by the Contractor's operation, in order that they may remove any obstruction for which they are responsible and have representative(s) on site to see that their property is properly protected. Such notice does not relieve the Contractor of responsibility for any damages and claims. Nor does such notice relieve the Contractor from his responsibility to defend and indemnify the Owner from actions resulting from the Contractor's performance of such work in connection with or arising out of the Contract.
- 10.2.10 The Contractor shall protect all utilities encountered while performing its work, whether indicated on the Contract Drawings or not. The Contractor shall maintain utilities in service until moved or abandoned. The Contractor shall exercise due care when excavating around utilities and shall restore any damaged utilities to the same condition or better as existed prior to starting the Work, at no cost to the Owner. The Contractor shall maintain operating utilities or other services, even if they are shown to be abandoned on the Contract Drawings, in service until new facilities are provided, tested and ready for use.
- 10.2.11 The Contractor shall return all improvements on or about the site and adjacent property which are not shown to be altered, removed or otherwise changed to conditions which existed prior to starting work.
- 10.2.12 The Contractor shall protect the Work, including but not limited to, the site, stored materials and equipment, excavations, and excavated or stockpiled soil or other material, intended for use in the Work, and shall take all necessary precautions to prevent or minimize damage to same and to prevent detrimental effect upon his performance or that of his subcontractors, caused by or due to rain, snow, ice, run-off, floods, temperature, wind, dust, sand and flying debris. For example, but not by way of limitation, Contractor shall, when necessary, utilize temporary dikes, channels or pumping to carry-off, divert or drain water, and shall as necessary tie-down or otherwise secure the Work and employ appropriate covers and screens.

10.3 OBLIGATION OF CONTRACTOR TO ACT IN AN EMERGENCY

- 10.3.1 In case of an emergency that threatens immediate loss or damage to property and/or safety of life, the Contractor shall act to prevent threatened loss, damage, injury or death. The Contractor shall notify the Owner of the situation and all actions taken immediately thereafter. If the Contractor fails to act and any loss, damage, injury or death occurs that could have been prevented by the Contractor's prompt and immediate action, the Contractor shall be fully liable to the Owner or any other party for all costs, damages, claims, actions, suits, costs of defense, and all other expenses arising therefrom or relating thereto.

- 10.3.2 Prior to commencing his work and at all times during the performance of the Work, the Contractor shall provide the Owner two, twenty-four hour (24) emergency phone numbers where his representatives can be contacted.

ARTICLE 11 INSURANCE FOR CONTRACTS

11.1 CONTRACTOR'S INSURANCE

- 11.1.1 During the term of this Contract, the Contractor shall procure and maintain insurance coverages with insurance companies rated by A. M. Best Company as A – VIII or better. The company(ies) shall be authorized to do business under the laws of the Commonwealth of Virginia and be acceptable to the City of Lynchburg and shall provide the following minimum types of insurance:

- a. **Commercial General Liability Insurance** – This will cover claims for Bodily Injury, Property Damage, Personal and Advertising Injury, Products and Completed Operations, which may arise from operations under the Contract, whether such operations be performed by the Contractor or by any Subcontractor or Independent Contractor, or by anyone directly or indirectly employed by any of them. Such insurance shall include coverages "X", "C" and "U" for explosion, collapse of other structures and underground utilities, as well as Contractual Liability Insurance covering the requirements outlined in the General Conditions. This insurance shall name the City, the City Council and its employees as additional insureds **by endorsement** to the Commercial General Liability policy. Such policy shall not have a restriction on the limits of coverage provided to the City of Lynchburg as an additional insured. The City of Lynchburg shall be entitled to protection up to the full limits of the Contractor's policy regardless of the minimum requirements specified in this contract. If endorsements to the Commercial General Liability insurance policies cannot be made, then separate policies providing such protection shall be purchased by the Contractor.

1. The Policy shall have the following **minimum** limits:
 - \$1,000,000 Each Occurrence Limit
 - \$1,000,000 General Aggregate Limit
 - \$1,000,000 Personal and Advertising Injury Limit
 - \$1,000,000 Products and Completed Operations Aggregate Limit
 - \$5,000 Medical Expense Limit

This insurance shall include the following provisions and /or endorsements:

- 1) The General Aggregate limit shall apply on a "per project" and on a "per location" basis;
- 2) Coverage shall apply to all liability arising from all premises and operations conducted by the Contractor, subcontractors and independent contractors;
- 3) The Contractor agrees that liability arising from Products and Completed Operations will be covered. Such liability coverage will be maintained for two years after completion of the Work.
- 4) The Contractor shall require each of his Subcontractors to procure and maintain Commercial General Liability Insurance of the type specified in this document in the minimum amounts required by the City and the Contractor, during the term of this subcontract.

- b. **Worker's Compensation and Employer's Liability Insurance** for the Contractor's employees engaged in the Work under this Contract, in accordance with the Statutory requirements of the Commonwealth of Virginia. The Contractor shall require each of his Subcontractors to provide Worker's Compensation and Employer's Liability Insurance for all of the Subcontractor's employees engaged on such subcontracts. If any class of employees engaged on work under the Contract is not protected under the Worker's Compensation statute, the Contractor shall provide similar protection for these employees in amounts not less than the legal requirements. The amount of Employer's Liability Insurance for the Contractor and each of his Subcontractors shall be not less than:

\$100,000 per employee for Bodily Injury.

\$100,000 per employee for disease

\$500,000 per policy for disease

The Worker's Compensation and Employer's Liability Insurance policy shall include an "all states" or "other states" endorsement.

- c. Commercial **Automobile Liability Insurance**, including coverage for owned, hired, non owned and borrowed vehicles used in the work with *minimum* limits of \$1,000,000 Combined Single Limit per occurrence. This insurance shall name the City, the City Council and its employees as additional insureds *by endorsement* to the Commercial Automobile Liability policy. Such policy shall not have a restriction on the limits of coverage provided to the City of Lynchburg as an additional insured. The City of Lynchburg shall be entitled to protection up to the full limits of the Contractor's policy regardless of the minimum requirements specified in this contract.

- d. **Umbrella Liability or Excess Liability Insurance** with the following *minimum* limits of:

\$5,000,000 Each Occurrence

\$5,000,000 Annual Aggregate

The following policies shall be scheduled as underlying policies:

Commercial General Liability

Commercial Automobile Liability

Employers Liability

This insurance shall name the City, the City Council and its employees as additional insureds *by endorsement* to the Umbrella or Excess Liability policy. Such policy shall not have a restriction on the limits of coverage provided to the City of Lynchburg as an additional insured. The City of Lynchburg shall be entitled to protection up to the full limits of the Contractor's policy regardless of the minimum requirements specified in this contract.

- 11.1.2 Proof of insurance for each type of coverage listed herein shall be provided within 10 Days after issuance of the Award Letter for the Contract, and no Work shall proceed unless all such insurance is in effect. The Contractor shall not allow any Subcontractor to commence work on his subcontract until all such insurance of the Subcontractor has been so obtained and approved by the Contractor and found to be in accordance with the requirements set forth herein. The Contractor certifies by commencement of the Work that his insurance and that of Subcontractors is in effect and meets the requirements set forth herein.

- 11.1.3 The Contractor shall purchase and maintain required liability and all other insurance as is appropriate for the Work being performed and furnished. The insurance shall provide protection from claims which may arise out of or result from Contractor's

performance and furnishing of the Work and Contractor's other obligations under the Contract Documents, whether it is to be performed or furnished by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform or furnish any of the Work, or by anyone for whose acts any of them may be liable:

- a. claims under Worker's Compensation, Employers Liability, disability benefits, and other similar employee benefit acts;
- b. claims for damages because of bodily injury, occupational sickness or disease, or death of Contractor's employees;
- c. claims for damages because of bodily injury, sickness or disease, or death of any person other than Contractor's employees;
- d. claims for damages insured by personal injury liability coverage which are sustained: (1) by any person as a result of an offense directly or indirectly related to the employment of such person by Contractor; or (2) by any other person for any other reason;
- e. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom; and
- f. claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle.

11.1.4 The insurance required to be purchased and maintained by the Contractor shall:

- a. include completed operations insurance;
- b. with respect to any other insurance coverage written on a claims-made basis, remain in effect for at least 2 years after final payment (and Contractor shall furnish the City and Engineer evidence satisfactory to the City of continuation of such insurance at final payment and 1 year thereafter);
- c. contain a cross liability or severability of interest clause or endorsement. Insurance covering the specified additional insureds shall be primary insurance, and all other insurance carried by the additional insureds shall be excess insurance.

11.1.5 All of the aforesaid insurance policies must be endorsed to provide that the insurance company ***shall give 30 days written notice to the City*** if the policies are to be terminated or if any changes are made during the Contract period which will affect in any way the insurance requirements required in this contract. Before starting the Work, the Contractor shall provide the City with a copy of each policy which he and each of his Subcontractors shall carry in accordance herewith, together with receipted bills evidencing proof of premium payment. These policies shall contain endorsements to the policies naming the City of Lynchburg as an additional insured as required.

11.1.6 Nothing contained herein shall effect, or shall be deemed to affect, a waiver of the City's sovereign immunity under law.

ARTICLE 12 CHANGES AND MODIFICATIONS IN THE WORK

12.1 CHANGES IN THE WORK

12.1.1 The Owner, without invalidating the Contract and without Notice to the surety, may order a Change or Modification in the Work consisting of additions, deletions or other revisions to the general scope of the Contract, or changes in the sequence of the performance of the Work. The Contract Sum and the Contract Time shall be adjusted

accordingly. All such Modifications in the Work shall be authorized by Change Order, and all Work involved in a Change shall be performed in accordance with the terms and conditions of this Contract. If the Contractor should proceed with a Change in the Work upon an oral order, by whomsoever given, it shall constitute a waiver by the Contractor of any claim for an increase in the Contract Sum and/or Contract Time, on account thereof. All amendments and change orders will be limited to twenty-five percent (25%) of the original fixed amount.

12.2 FIELD ORDER

- 12.2.1 A Field Order is a written order to the Contractor signed by the Owners designated representative, interpreting or clarifying the Contract Documents or directing the Contractor to perform minor changes in the Work. Any work relating to the issuance of a Field Order shall be performed promptly and expeditiously and without additional cost to the Owner and within the Contract Time, unless the Contractor submits a Proposed Change Order, defined below, which is approved by the Owner. Field Orders shall be numbered consecutively by date of issuance by the Owner.

12.3 OWNER CHANGE REQUEST

- 12.3.1 An Owner Change Request is a written request from the Owner to the Contractor that describes a proposed Change in the Work. The Contractor is required to submit a complete proposal for the total cost and additional time, if any, necessary to perform the proposed Change in the Work. Owner Change Requests shall be numbered consecutively by date of issuance by the Owner.

12.4 CONTRACTOR'S PROPOSED CHANGE ORDER

- 12.4.1 A Contractor's Proposed Change Order is a written request from the Contractor to the Owner requesting a change in the Contract Amount and/or Contract Time. A Contractor's Proposed Change Order is submitted as a proposal in response to a Owner Change Request or as a claim for an increase in the Contract Sum or Contract Time pursuant to the issuance of a Field Order, or as a result of unforeseen circumstances, such as an unknown site conditions.

Change Orders for unforeseen site conditions will only be entertained if the Contractor has not accepted responsibility for the unforeseen site conditions pursuant to other provisions in the Contract Documents. A Contractor's Proposed Change Order must be submitted within twenty (20) calendar days of the issuance of a Owner Change Request or a Field Order or the discovery of an unforeseen circumstance. The CONTRACTOR shall not be entitled to time and/or costs of any nature from the OWNER as a result of his failure to comply with this provision. Contractor's Proposed Change Orders shall be numbered consecutively by date of issuance by the Contractor. The Contractor shall also indicate on the Proposed Change Order the number of the Owner Change Request or the Field Order to which it responds. The Contractor understands and agrees to the City's provisions and policy regarding Change orders as outlined in Article 1 section 1.12 of the General Requirements.

- 12.4.2 In the case of unit price items, it is understood and agreed by the Contractor that the estimates of the quantities in unit price items are approximate only and presented solely for the purpose of comparing bids and may not represent the actual amount of work to be

performed. The Contractor, therefore, understands and agrees that the Owner reserves the right to increase, decrease or eliminate entirely the quantity of work to be done under any item. If called upon to do more work under any unit price item named in the Bid Documents, he will perform all such additional work and accept as payment the unit price named in the proposal, subject to the 20% deviation limitations specified in subparagraph 12.4.2.2.

- 12.4.2.1 The Contractor's Proposed Change Order shall be determined by applicable unit prices, if any, as set forth in the Contract.
- 12.4.2.2 However, if changes in quantities are greater or lesser than twenty percent (20%) of the original bid quantity the Owner or the Contractor shall have the right to request a decrease or an increase in the unit price for the quantity greater than 120% or less than 80% of the original bid quantity.
- 12.4.2.3 It shall be understood that such unit prices shall constitute full payment for the extra work performed, including, but not limited to, "general conditions" costs, plant, materials, labor, equipment, overhead, profit, and safety requirements.
- 12.4.3 If no such unit prices are set forth, the Contractor's proposal shall be on a lump sum basis and shall be itemized and segregated by labor, equipment, and materials for the various components of the Change in the Work (no aggregate labor total will be acceptable) and shall be accompanied by signed proposals of any Subcontractors who will perform any portion of the Change in the Work and of any persons who will furnish materials or equipment for incorporation therein.
 - 12.4.3.1 The portion of the proposal relating to labor, whether by the Contractor's forces or the forces of any of its Subcontractors, may include reasonably anticipated gross wages of Job Site labor, including foremen, who will be directly involved in the Change in the Work (for such time as they will be so involved), plus separately identified payroll costs (including premium costs of overtime labor, if overtime is authorized, Social Security, Federal or State unemployment insurance taxes and fringe benefits required by collective bargaining agreements entered into by the Contractor or any such Subcontractor in connection with such labor).
 - 12.4.3.2 The portion of the proposal relating to materials may include the reasonably anticipated direct costs to the Contractor or to any of its Subcontractors of materials to be purchased for incorporation in the Change in the Work, plus transportation and applicable sales or use taxes.
 - 12.4.3.3 The proposal may further include the Contractor's and any of his Subcontractor's reasonably anticipated equipment rental costs, except small hand tools, in connection with the Change in the Work.
- 12.4.4 Base Cost is defined as the total of labor, material and equipment rentals as described in subparagraphs 12.4.3.1, 12.4.3.2 and 12.4.3.3. The actual net cost in money to the Owner for the Change in the Work shall be computed as follows:
 - .1 If the Contractor performs the Change in the Work without use of subcontractors or sub-subcontractors, his compensation will be the Base Costs as described above, plus a maximum mark-up of 15% for overhead and profit.

- .2 If the work is performed by a bona fide Subcontractor, his compensation will be the Base Costs as described above plus a maximum mark-up of 15% for overhead and profit. The Contractor's compensation will be a maximum mark-up of five percent (5%) of the Subcontractors Base Costs for his overhead and profit.
 - .3 If the work is performed by a bona fide Sub-subcontractor, his compensation will be the Base Costs as herein described plus a maximum mark-up of 15% for overhead and profit. The mark-up of any Sub-subcontractor's work by the Contractor and all intervening tiers of Subcontractors shall not exceed a total of 10%.
- 12.4.5 The mark-up on the cost of labor, materials, and equipment described in Paragraphs 12.4.4.1, 12.4.4.2, and 12.4.4.3 shall compensate the Contractors, Subcontractor and Sub-subcontractor for all indirect costs associated with or relating to the Change in the Work including, but not limited to, labor and/or equipment inefficiency, changes in sequence, delays, interferences, impact on unchanged work, gross receipts tax, superintendent, small tools, reproduction, administration, insurance, unrelated safety requirements, temporary structures and offices, all other general and administrative, home office and field office expenses.
- 12.4.6 The Proposed Change Order may also include the cost of increases in premiums for the Standard Labor and Material Payment Bond and the Standard Performance Bond, provided coverage for the cost of the Change in Work results in such increased costs. At the Owner's request, the Contractor shall provide proof of his notification to the Surety of the change in the Work and of the Surety's agreement to include such change in its coverage. The cost of the increase in premiums shall not be marked up.
- 12.4.7 In the event that it is necessary to increase the Contract Time in order to perform the Change in the Work, the Contractor shall provide an estimate of the increase in the Contract Time as part of the Proposed Change Order. The Contractor's request for a time extension shall be evaluated in accordance with the criteria described in Article 8.3 Claims for Time Extensions.
- 12.4.8 If the Contractor's Proposed Change Order is rejected by the Owner as being within the scope of the Work required by the Contract Documents the Owner may, at its sole option and discretion, direct the Contractor to perform the Work which is the subject of the said Proposed Change Order; the Contractor shall then promptly proceed with said Work. Nothing herein shall excuse the timely performance by the Contractor of the Work because any Proposed Change Order is pending.

12.5 CHANGE ORDER

- 12.5.1 A Change Order is a written order to the Contractor signed by the Owner, issued after execution of the Contract, authorizing a Change in the Work or an adjustment in the Contract Sum and/or the Contract Time. The Contract Sum and the Contract Time may be changed only by Change Order. A Change Order signed by the Contractor indicates his agreement therewith, including the adjustment in the Contract Sum and/or the Contract Time. Change Orders shall be numbered consecutively by date of issuance by the Owner and shall, if applicable, indicate the number of the Field Order(s), Request for Proposal(s) and/or Proposed Change Order(s) to which it relates.

- 12.5.1.1 If the Owner determines that the Contractor's Proposed Change Order, submitted pursuant to Article 12.4 for a change in the Contract Sum or Contract Time, is acceptable, the Owner shall prepare and issue a Change Order which will authorize the Contractor to proceed with the Change in the Work for the cost and time stated in the Proposed Change Order, or as otherwise may be agreed upon by the parties. The amounts stated in the Change Order for the cost and time to perform the Change in the Work shall be binding on the parties.
- 12.5.2 After issuance of the Change Order, the Contractor shall ensure that the amount of the Performance and Payment Bond coverage has been revised to reflect the increase in the Contract Sum due to the Change Order.
- 12.5.3 If the Contractor's Proposed Change Order is not acceptable to the Owner or if the parties are unable to otherwise agree as to the cost and time necessary to perform the Change in the Work, the Owner may, at its sole option and discretion, direct the Contractor to perform the Work on a time and material basis. The Contractor shall then promptly proceed with the Work.
- 12.5.4 If the Owner elects to have the Change in the Work performed on a time and material basis, the same shall be performed, whether by the Contractor's forces or the forces of any of its Subcontractors or Sub-subcontractor's, at actual cost to the entity performing the Change in the Work (without any charge for administration, clerical expense, supervision or superintendent of any nature whatsoever). The percent mark-ups for the Contractor, Subcontractors and Sub-subcontractor's shall be as described in subparagraphs 12.4.4 and 12.4.5.
 - 12.5.4.1 Prior to starting the work on a time and material basis, the Contractor shall notify the Owner in writing as to what labor, materials, equipment or rentals are to be used for the Change in the Work. During the performance of the Change, the Contractor shall submit to the Owner daily time and material tickets, which shall list the categories and amounts of labor and equipment for which Change Order compensation is to be charged for the previous work day. Such tickets shall specifically include the following information: location and description of the Change in the Work, the classification of labor employed, including names and social security numbers of laborers, labor trades used, man hours, wage rates, insurance, taxes and fringe benefits, equipment and materials suppliers' quotations with detailed break-out and pricing, rental equipment hours and rates, and materials quantities and unit prices and such other evidence of cost as the Owner may require.
 - 12.5.4.2 The Contractor shall commence submission of daily time and material tickets immediately upon commencement of the Change Order Work and continue to submit them until completion of the Change Order Work. The Owner may require authentication of all time and material tickets and invoices by persons designated by the Owner for such purpose.
 - 12.5.4.3 No payment shall be made to the Contractor for any portion of the Change in the Work unless and until such daily time and material tickets and invoices are submitted. The submission of any such ticket or invoice shall not constitute an acknowledgment by the Owner that the items thereon were reasonably required for the Change in the Work.

- 12.5.4.4 For any work performed on a time and material basis, the Contractor shall submit its complete submission of the reasonable actual cost and time to perform the Change in the Work within twenty (20) days after such Work has been completed. The Owner shall review the costs and time submitted by the Contractor on the basis of reasonable expenditures and savings of those performing the Change in the Work. If such costs and time are acceptable to the Owner, or if the parties otherwise agree to the actual reasonable cost to perform the Change in the Work, a Change Order will be issued for the cost and time agreed upon. The amounts stated in the Change Order for the cost and time to perform the Change in the Work shall be binding upon the parties.

12.6 UNILATERAL CHANGE ORDER

- 12.6.1 In the event that the parties are unable to agree as to the reasonable cost and time to perform the Change in the Work and the Owner does not elect to have the Change in the Work performed on a time and material basis, the Owner may issue a unilateral Change Order based on the reasonable cost and time to perform the Change in the Work as determined by the Owner. Failure of the parties to reach agreement regarding the cost and time of performing the Change in the Work shall not relieve the Contractor from performing the Change in the Work promptly and expeditiously. Any unresolved dispute resulting from the Unilateral Change Order shall be resolved pursuant to the procedure outlined in Article 13 Claims and Dispute Procedure.

12.7 DECREASES AND WORK NOT PERFORMED (*Deductive Change Orders*)

- 12.7.1 Should it be deemed expedient by the Owner to decrease the dimensions, quantity of material or work, or vary in any other way the work herein contracted for, the Owner may direct by written Change Order, such decreases to be made or performed without in any way affecting the validity of the Contract. The Contractor shall, comply with the Change Order from the Owner. The difference in expense occasioned by such decrease shall be deducted from the amount payable under this Contract.
- 12.7.2 When work is deleted from the Contract by Owner, the amounts to be credited to the Owner shall reflect the same current pricing as if the work were being added to the Contract at the time the deletion is ordered, and documentation will be required for a credit as specified in Article 12.5.4. If such deleted materials and equipment shall have already been purchased and stored on site and cannot be used in other projects, returned for credit or cannot be returned for credit at the price paid by the Contractor at the time of purchase, the Contractor shall be entitled, upon proper documentation and certification, to an adjustment in the pricing of the credit to avoid hardship to the Contractor. If necessary in order to establish such reasonable value, the Contractor may be required to submit a detailed breakdown of his original bid for the items or work involved.
- 12.7.3 If work is not performed, and such deletion of work was not directed or approved by the Owner, the Owner shall ascertain the amount of the credit due.

12.8 CHANGES IN LINE AND GRADE

- 12.8.1 The Owner reserves the right to make such alterations in the line and grade of various structures or pipe lines shown on the drawings, as may be necessitated by conditions found during construction or that in the judgment of the Owner appears advisable. Such alterations shall in no way affect the validity of the Contract

- 12.8.1.1 In case of a unit price contract, if such changes increase the amount of the work or materials, the Contractor will be paid according to the quantity of work actually done at the prices established for such work under the Contract.
- 12.8.1.2 In case of a lump sum contract, the price for the work shall be determined as specified in Article 12.4 Proposed Change Order.

12.9 SUBSURFACE CONDITIONS FOUND DIFFERENT

- 12.9.1 Should the Contractor encounter subsurface and/or latent conditions at the site materially differing from those shown on the drawings or indicated in the specifications, he shall immediately give Notice to the Owner of such conditions before they are disturbed. The Owner shall thereupon promptly investigate the conditions and if he finds that they materially differ from those shown on the drawings or indicated in the specifications, he shall at once make such changes in the drawings and/or specifications as he may find necessary. Any increase or decrease of cost resulting from such changes shall be adjusted in the manner provided herein for adjustments as to extra and/or additional work and changes.

12.10 OTHER CLAIMS

If the Contractor claims that additional cost or time is involved because of, but not limited to, (1) any written interpretation pursuant to Article 2 Architect/Engineer, (2) any order by the Owner to stop the Work pursuant to Article 3 Owner where the Contractor was not at fault, (3) failure of payment by the Owner pursuant to Article 9 Payments and Completion, or (4) any written order for a minor change in the Work issued pursuant to Article 12.8. Changes in Line and Grade; the Contractor shall make such claim as provided in THIS Section 12 Changes and Modification in the Work.

ARTICLE 13 CLAIMS AND DISPUTE PROCEDURE

- 13.1 No claim shall be made under this Contract until and unless the Contractor has failed to obtain a Change Order pursuant to the previous sections of this article. The Contractor shall give the Owner written Notice of his intent to file a claim within seven (7) calendar days after rejection of his Proposed Change Order.
- 13.2 No claim shall be allowed and no amounts paid for any and all costs incurred if Notice of intent to file a claim is not given to the Owner as herein provided.
- 13.3 The complete written claim, with all supporting documentation, shall be submitted to the Purchasing Agent no later than sixty (60) days after final payment. If the claim is not disposed of by agreement, the Purchasing Agent shall reduce his decision to writing and mail or otherwise forward a copy thereof to the Contractor within thirty (30) days of receipt of the claim.
- 13.4 The Purchasing Agent's decision shall be final unless the Contractor appeals within thirty (30) days by submitting a written letter of appeal to the City Manager. The City Manager shall render a decision within sixty (60) days of receipt of the appeal.

- 13.5 No litigation shall be instituted prior to the exhaustion of the aforesaid claims process. The Contractor may not introduce factual matters in such litigation that were not set forth in the aforesaid claims process.

ARTICLE 14 UNCOVERING AND CORRECTION OF WORK

14.1 UNCOVERING OF WORK

- 14.1.1 If any portion of the Work should be covered contrary to: (1) the request of the A/E or Owner; (2) requirements specifically expressed in the Contract Documents; or (3) the requirements of applicable Construction Permits, it must, if required in writing by the Owner, be uncovered for their observation and shall be replaced at the Contractor's expense.
- 14.1.2 If any other portion of the Work has been covered which the Owner has not specifically requested to observe prior to being covered, the Owner may request to see such Work and it shall be uncovered by the Contractor. If such Work be found in accordance with the Contract Documents, the cost of uncovering and replacement shall, by appropriate Change Order, be charged to the Owner. If such Work be found not in accordance with the Contract Documents, the Contractor shall pay such costs unless it is found that this condition was caused solely by the Owner, in which event the Owner shall be responsible for the payment of such costs. If such Work be found not in accordance with the Contract Documents and the condition was caused by a separate contractor, Contractor may proceed against said separate contractor as provided in Article 6 Work by Owner or by Separate Contractors.

14.2 WARRANTY AND CORRECTION OF WORK

- 14.2.1 The Contractor guarantees and warrants to the Owner all work as follows:
- .1 That all materials and equipment furnished under this Contract will be new and the best of its respective kind unless otherwise specified;
 - .2 That all Work will be of first-class quality and free of omissions and faulty, imperfect or defective material or workmanship;
 - .3 That the Work shall be entirely watertight and leakproof in accordance with all applicable industry customs and practices, and shall be free of shrinkage and settlement which are attributable to defective materials or workmanship;
 - .4 That the Work, including but not limited to, mechanical and electrical machines, devices and equipment shall be fit and fully usable for its intended and specified purpose and shall operate satisfactorily with ordinary care;
 - .5 That consistent with requirements of the Contract Documents the Work shall be installed and oriented in such a manner as to facilitate unrestricted access for the operation and maintenance of fixed equipment; and

.6 That the Work will be free of abnormal or unusual deterioration which occurs because of poor quality materials or workmanship.

- 14.2.2 All Work not conforming to guarantees and warranties specified in the Contract Documents, including substitutions not properly approved and authorized, may be considered defective. If required by the Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment furnished and installed.
- 14.2.3 The Contractor shall within five (5) working days after receipt of written Notice from the Owner during the performance of the Work, reconstruct, replace or correct all Work rejected by the A/E or Owner as defective, as failing to conform to the Contract Documents, or as not in accordance with the guarantees and warranties specified in the Contract Documents whether observed before or after Substantial Completion and whether or not fabricated, installed or completed. The Contractor shall bear all costs of reconstructing, replacing or correcting such rejected Work, including compensation for the A/E's additional services made necessary thereby.
- 14.2.4 If, within one (1) year after the Date of Substantial or Final Completion of the Work or designated portion thereof or within one (1) year after acceptance by the Owner of designated equipment or within such longer period of time as may be prescribed by law or by the terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be defective, not in accordance with the Contract Documents, or not in accordance with the guarantees and warranties specified in the Contract Documents, the Contractor shall correct it within five (5) working days after receipt of a written Notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition pursuant to 14.3 Acceptance of Faulty, Defective or Non-Conforming Work. This obligation shall survive termination of the Contract. The Owner shall give such Notice promptly after discovery of the condition.
- 14.2.5 Subject to limitation as prescribed by law, if at any time deficiencies in the Work are discovered which are found to have resulted from fraud or misrepresentation, or an intent or attempt to defraud the Owner by the Contractor, any Subcontractor or Supplier, the Contractor will be liable for replacement or correction of such Work and any damages which Owner has incurred related thereto, regardless of the time limit of any guarantee or warranty.
- 14.2.6 Any materials or other portions of the Work, installed, furnished or stored on site which are not of the character or quality required by the specifications, or are otherwise not acceptable to the Owner, shall be immediately removed and replaced by the Contractor to the satisfaction of the Owner, when notified to do so by the Owner.
- 14.2.7 If the Contractor fails to correct defective or nonconforming Work as required by Articles 13.2.3 and 13.2.4, or if the Contractor fails to remove defective or nonconforming Work from the site, as required by Article 13.2.6, the Owner may elect to either correct such Work in accordance with Article 3.5 Owner's Right to carry out the Work or remove and store materials and equipment at the expense of the Contractor. If the Contractor does not pay the cost of such removal and storage within ten (10) days thereafter, the Owner may upon ten additional days written Notice sell such Work at auction or at public or private sale and shall account for the net proceeds thereof, after deducting all the costs that should have been borne by the Contractor, including compensation for the A/E's additional services made necessary thereby. If such proceeds of sale do not cover all costs

that the Contractor should have borne, the difference shall be charged to the Contractor and an appropriate Change Order shall be issued. If the payments then or thereafter due the Contractor are not sufficient to cover such amount, the Contractor shall pay the difference to the Owner.

- 14.2.8 The Contractor shall bear the cost of making good all work of the Owner, separate contractors or others, destroyed or damaged by such correction or removal required under this Article.

14.3 ACCEPTANCE OF FAULTY, DEFECTIVE OR NON-CONFORMING WORK

If the Owner prefers to accept faulty, defective or nonconforming Work, he may do so instead of requiring its removal and correction, in which case a Change Order will be issued at Owner's option, to reflect a reduction in the Contract Sum in an amount to be determined by the Owner.

ARTICLE 15 TERMINATION OF THE CONTRACT

15.1 CONTRACTOR'S RIGHT TO STOP WORK OR TERMINATE CONTRACT

If the Work should be stopped under an order of any court or other public authority for a period of ninety (90) days through no fault of the Contractor or anyone employed by him, or if the Owner should fail to pay to the Contractor within thirty (30) days any sum certified by the Architect/Engineer when no dispute exists as to the sum due or any provision of the Contract, then the Contractor may, upon ten (10) calendar days written Notice to the Owner, stop Work or terminate the Contract and recover from the Owner payment for the cost of the Work actually performed, together with overhead and profit thereon, but profit on the Work performed shall be recovered only to the extent that the Contractor can demonstrate that he would have had profit on the entire Contract if he had completed the Work. The Contractor may not receive profit or any other type of compensation for parts of the Work not performed. The Contractor may recover the reasonable cost of physically closing down the Site, but no other costs of termination. The Owner may offset any claims it may have against the Contractor against the amounts due to the Contractor. In no event shall termination of the Contract by the Contractor terminate the obligations of the Contractor's surety on its payment and performance bonds.

15.2 OWNER'S RIGHT TO TERMINATE CONTRACT FOR CAUSE

- 15.2.1 If the Contractor should be adjudged as bankrupt, or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, the Owner may terminate the Contract. If the Contractor should refuse or should repeatedly fail, except in cases for which extension of time is provided, to supply enough properly skilled workmen or proper materials and equipment, or if he should fail to make prompt payment to subcontractors or suppliers of material of labor, or if he should disregard laws, ordinances or the written instructions of the Architect/Engineer or the Owner, or otherwise be in substantial violation of any provision of the Contract, then the Owner may terminate the Contract.
- 15.2.2 Prior to termination of the Contract, the Owner shall give the Contractor and his surety ten (10) calendar days written Notice during which the Contractor and/or his surety may rectify the basis for the notice. If rectified to the satisfaction of the Owner within said ten (10)

days, the Owner may rescind its notice of termination. If not, the termination for cause shall become effective at the end of the ten (10) day notice period. In the alternative, the Owner may, in writing, postpone the effective date of the termination for cause, at its sole discretion, if it should receive reassurances from the Contractor and/or its surety that the basis for the termination will be remedied in a time and manner which the Owner finds acceptable. If at any time after such postponement, the Owner determines that Contractor and/or its surety has not or is not likely to rectify the causes of termination in an acceptable manner or within the time allowed, then the Owner may immediately terminate the Contract for cause, without the necessity of further ten (10) day notice, by notifying the Contractor and his surety in writing of the termination. In no event shall termination for cause terminate the obligations of the Contractor's surety on its payment and performance bonds.

- 15.2.3 Upon termination of the Contract, the Contractor shall immediately cease work and the Owner shall take possession of the Site and of all materials, tools and equipment thereon and finish the Work by whatever method he may deem expedient. In such case the Contractor shall not be entitled to receive any further payment until the Owner has finally completed the project through its own resources or those of a subsequent contractor. If the expense of finishing the Work, including compensation for additional design, managerial and administrative services, shall exceed the unpaid balance of the Contract Price, the Contractor shall pay the difference to the Owner, together with any other expenses of terminating the Contract and having it completed by others. If the unpaid balance of the Contract Price exceeds the costs of finishing the Work, including compensation for additional design, managerial and administrative services, such excess shall be paid to the Contractor.
- 15.2.4 If it should be judicially determined that the Owner improperly terminated this Contract for cause, then the termination shall be deemed to be a termination for the convenience of the Owner.
- 15.2.5 Termination of the Contract under this Section is without prejudice to any other right or remedy of the Owner.

15.3 OWNER'S RIGHT TO TERMINATE CONTRACT FOR CONVENIENCE

- 15.3.1 Owner may terminate this Contract, in whole or in part, at any time without cause upon giving the Contractor written Notice of such termination. Upon such termination, the Contractor shall immediately cease Work and remove from the Site all of its labor forces and such of its materials as Owner elects not to purchase or to assume in the manner hereinafter provided. Upon such termination, the Contractor shall take such steps as Owner may require to assign to the Owner the Contractor's interest in all Subcontracts and purchase orders designated by Owner. After all such steps have been taken to Owner's satisfaction, the Contractor shall receive as full compensation for termination and assignment the following:
 - (1) Amounts due for Work performed in accordance with the Contract through the date of termination.
 - (2) Reasonable compensation for the actual cost of demobilization incurred by the Contractor as a direct result of such termination. The Contractor shall not be entitled to any compensation or damages for lost profits or for any other type of

contractual compensation or damages other than those provided by the preceding sentence. Upon payment of the foregoing, Owner shall have no further obligations to Contractor of any nature.

15.3.2 In no event shall termination for the convenience of the Owner terminate the obligations of the Contractor's surety on its payment and performance bonds.

15.3.3 After receipt of a Notice of Termination, the Contractor shall submit to the Owner his termination claim. Such claim shall be submitted promptly but in no event later than forty-five (45) days from the effective date of termination. Upon failure of the Contractor to submit his termination claim within the time allowed, the Owner may determine, on the basis of information available to him, the amount, if any, due to the Contractor by reason of the termination.

15.4 CONTRACTOR'S RESPONSIBILITIES UPON TERMINATION

15.4.1 After receipt of a Notice of Termination pursuant to 15.3 Owner's Right to Terminate Contract for Convenience the Contractor shall mitigate any damages to the extent reasonably possible.

15.4.2 In addition to the provisions of 15.4.1, the Contractor shall:

- .1 At the option of the Owner, assign to the Owner, in the manner, at the time, and to the extent directed by the Owner, all of the right, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the Owner shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- .2 Transfer title and deliver to the Owner in the manner, at the times, and to the extent, if any, directed by the Owner:
 - a) The fabricated or un-fabricated parts, work in process, completed Work, supplies, and other material procured as a part of, or acquired in connection with the performance of the Work terminated by the Notice of Termination, and
 - b) The completed or partially completed drawings, releases, information, manuals and other property which, if the Contract had been completed, would have been required to be furnished to the Owner;
- .3 Complete performance of such part of the Work as shall not have been terminated by the Notice of Termination; and
- .4 Take such action as may be necessary, or as the Owner may direct, for the protection and preservation of the property related to this Contract which is in the possession of the Contractor and in which the Owner has or may acquire an interest.

SECTION IIISUPPLEMENTAL SPECIAL CONDITIONS**3.1 TRAFFIC CONTROL**

3.1.1 Cabell Street shall remain open to at least one lane of traffic at all times. This traffic will include City busses which will need to negotiate the corner at D Street. Temporary closure of the full width of the streets will be permitted for durations of up to 15 minutes, although bus traffic including both City and school busses shall not be delayed under any circumstances.

3.1.2 The Contractor will provide traffic warning signs along Cabell Street immediately off Rivermont Avenue and along D Street immediately off Rivermont Avenue in accordance with the Manual on Uniform Traffic Control Devices. In addition, signs along Rivermont Avenue in both directions before the Cabell Street and D Street intersections will advise motorists of the duration of the construction period for the entire project.

3.1.3 Contractor will provide all signage and barricades in both direction at the point of and approaching the point of road closure. This will be established in accordance with the Plans.

3.1.4 During any lane closure full traffic control staff and equipment shall be provided as prescribed in the Manual on Uniform Traffic Control Devices.

3.2 VDOT PROVISION RFP 8-0004: DISADVANTAGED BUSINESS ENTERPRISES**1. POLICY STATEMENT**

The Virginia Department of Transportation is committed to fostering the utilization of Disadvantaged Business Enterprises (DBEs) in all its procurement activities. Accordingly, offerors shall make good-faith efforts to ensure that DBEs have the maximum practicable opportunity to compete for subcontract work in connection with this project. For this project, the Department has not established a numerical DBE-participation goal.

While the Department has established no numerical DBE participation goals for this project, the offeror is encouraged to faithfully consider DBEs for all subcontracting opportunities pursuant to the Department's policy.

2. DBE PROGRAM DEFINITIONS

A. **"Disadvantaged Business Enterprise (DBE)"** is a small business concern owned and controlled by socially and economically disadvantaged individuals.

B. **"Socially and Economically Disadvantaged Individuals"** are those individuals who are citizens of the United States (or lawfully admitted permanent residents) and who are Black Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans, or Asian-Indian Americans, women and any other individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act, 15 U.S.C. 637(a).

C. **Disadvantaged Individual**

Defined as a person who is a citizen or lawful permanent resident of the United States and who is:

1. **"Black American,"** which includes persons having origins in any of the Black racial groups of Africa;
2. **"Hispanic American,"** which includes persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
3. **"Native American,"** which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;
4. **"Asian-Pacific American,"** which includes persons whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, The Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, and the Northern Marianas;
5. **"Asian-Indian American,"** which includes persons whose origins are from India, Pakistan, and Bangladesh;
6. **"Women,"** regardless of ethnicity; and
7. **"Other,"** any other individuals found to be disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act.

D. "Small Business Concern," means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto, 13 CFR, Part 121, Final Rule dated May 25, 1988.

E. Owned and Controlled

Defined as a business concern: (a) which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or, in the case of any public owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

3. Contractor's Obligation

- 3.1 During the term of the contract/purchase order, the contractor shall continue to make good faith efforts to ensure that DBEs committed to in the bid have maximum opportunity to successfully perform in the contract. These efforts shall include but not be limited to the following:
 - 3.1.1 Negotiating in good faith to attempt to finalize and execute a subcontract agreement with the DBEs committed to in the Bid.

- 3.1.2 Continuing to provide assistance to DBE subcontractors or suppliers in obtaining bonding, lines of credit, etc., if required by the contractor.
- 3.1.3 Notifying a DBE in writing of any potential problem and attempting to resolve the problem prior to formally requesting Department approval to substitute for the DBE subcontractor.
- 3.1.4 As with all subcontractors, timely payment of all monies due and owing to DBE subcontractors and suppliers.
- 3.1.5 Timely submittal of complete and accurate DBE monthly reports in accordance with Article 3.3 below.
- 3.2 Substitution of Subcontractors -- If a contractor requests a substitution of DBE subcontractors or suppliers, the contractor shall exert good faith efforts to replace a DBE subcontractor with another DBE subcontractor, subject to the approval of the Department.
- 3.3 Contract Compliance Reporting Requirements -- The contractor shall submit monthly progress reports to the Department, in conformance with the currently approved schedule, reflecting its DBE participation. The Summary Subcontracts Award and Paid Report shall be submitted monthly to comply with this reporting requirement.
- 3.4 Change in Contract Amount -- The dollar amount of change orders, or any other contract modifications that increase or decrease the work area in which DBE's participation has been committed to in the proposal, shall be commensurately added to, or subtracted from, the total contract base figure used to compute actual dollars paid to DBEs. Revised total contract dollar values shall be reflected in the monthly progress report submitted to the Department and referenced in Section 3.3 above.
- 4. DBE Certification
 - 4.1 DBE firms need not be certified as of the bid date, but must be certified prior to contract award.
 - 4.2 A current DBE list may be obtained on-line at www.DMBE.state.va.us, or by contacting: Department of Minority Business Enterprise, 200-202 9th Street, 11th Floor, Richmond, Va. 23219 or by calling: (804) 786-8565

3.3 VDOT General Decision VA030004 06/13/03 VA4

GENERAL DECISION VA030004 06/13/03 VA4
General Decision Number VA030004

Superseded General Decision No. VA020004

State: Virginia

Construction Type:
HIGHWAY

County(ies):
AMHERST CAMPBELL
BEDFORD LYNCHBURG*

*INDEPENDENT CITY

HIGHWAY CONSTRUCTION PROJECTS (Excluding tunnels, building structures in rest area projects and railroad construction; bascule; suspension and spandrel arch bridges; bridges designed for commercial navigation; bridges involving marine construction; and other major bridges)

Modification Number Publication Date
 0 06/13/2003

COUNTY(ies):
AMHERST CAMPBELL
BEDFORD LYNCHBURG*

SUVA3053A 01/29/1999

	Rates	Fringes
BLASTERS	8.50	
CARPENTERS, STRUCTURE	10.09	
CONCRETE FINISHERS	10.00	
ELECTRICIANS	9.12	
FENCE ERECTORS	7.86	
FORM SETTERS	8.48	
GUARDRAIL ERECTORS	9.27	
LABORERS:		
Construction Workers II		
(Laborers)	6.91	
Construction Workers I		
(Skilled Laborers)	8.12	
Landscape Workers	7.13	
Asphalt Rakers	7.94	
Pipelayers	6.50	
PAINTERS	11.00	
PAINTERS, BRIDGE	11.00	
POWER EQUIPMENT OPERATORS:		
Asphalt Distributor Operators	8.11	
Asphalt Paver Operators	8.15	
Backhoe Operators	10.44	
Bulldozer Operators	8.97	
Bulldozer Operators, Utility	8.00	
Concrete Finish Machine/Screed		
Operators (Bridge)	12.00	
Concrete Finish Machine Operators,		

Utility	8.85
Crane, Derrick, Dragline Operators	11.50
Drill Operators	9.63
Excavator Operators	12.00
Front-End Loader Operators (2 yds. & under)	9.44
Front-End Loader Operators (Over 2 yds.)	10.56
Gradall Operators	14.00
Hydro-Seeder Operators	8.00
Mechanics	11.00
Motor Grader Operators (Fine Grade)	9.77
Motor Grader Operators (Rough Grade)	10.95
Pavement Planing Operators	8.38
Roller Operators (Rough)	8.66
Roller Operators (Finish)	7.81
Scraper Pan Operators	8.41
Stone Spreader Operators	8.25
Tractor Operators (Utility)	7.70
REINFORCING METAL WORKERS	8.07
STRUCTURAL WORKERS	9.00
TRUCK DRIVERS:	
Heavy Duty	8.44
Multi-Rear Axle	8.18
Tandem and Single Rear Axle	7.97

WELDERS - Receive rate prescribed for craft performing operation to which welding is incidental.

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Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29 CFR 5.5(a)(1)(ii)).

In the listing above, the "SU" designation means that rates listed under that identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

END OF GENERAL DECISION.

ORDER NO.:
CONTRACT ID. NO.:

Form C-104
Rev. 7-13-05

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF TRANSPORTATION

PROJECT:

FHWA:

This form must be completed, signed and returned with bid; and failure to do so may result in the rejection of your bid. **THE CONTRACTOR SHALL AFFIRM THE FOLLOWING STATEMENT EITHER BY SIGNING THE AFFIDAVIT AND HAVING IT NOTARIZED OR BY SIGNING THE UNSWORN DECLARATION UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES. A SEPARATE FORM MUST BE SUBMITTED BY EACH PRINCIPAL OF A JOINT VENTURE BID.**

STATEMENT. In preparation and submission of this bid, I, the firm, corporation or officers, agents or employees thereof did not, either directly or indirectly, enter into any combination or arrangement with any persons, firm or corporation or enter into any agreement, participate in any collusion, or otherwise take any action in the restraint of free, competitive bidding in violation of the Sherman Act (15 U.S.C. Section 1) or Article 1.1 or Chapter 12 of Title 18.2 (Virginia Governmental Frauds Act), Sections 59.1-9.1 through 59.1-9.17 or Sections 59.1-68.6 through 59.1-68.8 of the Code of Virginia.

AFFIDAVIT

The undersigned is duly authorized by the bidder to make the foregoing statement to be filed with bids submitted on behalf of the bidder for contracts to be let by the Commonwealth Transportation Board.

Signed at _____, this _____ day of _____, 20 _____
County (City), STATE

By: _____
(Name of Firm) (Signature) Title (print)

STATE of _____ COUNTY (CITY) of _____

To-wit:

I _____, a Notary Public in and for the State and
County(City) aforesaid, hereby certify that this day _____

personally appeared before me and made oath that he is duly authorized to make the above statements and that such statements are true and correct.

Subscribed and sworn to before me this _____ day of _____, 20 _____

My Commission expires _____

Notary Public

OR
UNSWORN DECLARATION

The undersigned is duly authorized by the bidder to make the foregoing statement to be filed with bids submitted on behalf of the bidder for contracts to be let by the Commonwealth Transportation Board.

Signed at _____, this _____ day of _____, 20 _____
County (City), STATE

By: _____
(Name of Firm) (Signature) Title (print)

**ORDER NO.:
CONTRACT ID. NO.:**

Form C-105
Rev. 7-13-05

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF TRANSPORTATION
AFFIDAVIT**

PROJECT:

FHWA:

This form must be completed, signed, notarized and returned with bid; and failure to do so, may result in the rejection of your bid. A separate form must be submitted by each principal of a joint venture bid.

1. I, the firm, corporation or officers, agents or employees thereof have neither directly nor indirectly entered into any combination or arrangement with any person, firm or corporation or entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with such contract, the effect of which is to prevent competition or increase the cost of construction or maintenance of roads or bridges.

During the preceding twelve months, I (we) have been a member of the following Highway Contractor's Associations, as defined in Section 33.1-336 of the Code of Virginia (1970). (If none, so state).

NAME	Location of Principal Office
_____	_____
_____	_____
_____	_____

2. I (we) have _____, have not _____, participated in a previous contract or subcontract subject to the equal opportunity clause, as required by Executive Orders 10925, 11114, or 11246, and that I/We have _____, have not _____, filed with the joint Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal Government contracting or administering agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filing requirements.

Note: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor [41 CFR 60-1.7(b)(1)], and must be submitted by bidders and proposed subcontractors only in connection with contracts and subcontracts which are subject to the equal opportunity clause. Contracts and subcontracts which are exempt from the equal opportunity clause are set forth in 41 CFR 60-1.5. (Generally only contract or subcontracts of \$10,000 or under are exempt.)

Currently, Standard Form 100 (EEO-1) is the only report required by the Executive Orders or their implementing regulations.

Proposed prime contractors and subcontractors who have participated in a previous contract or subcontract subject to the Executive Orders and have not filed the required reports should note that 41 CFR 60-1.7(b) (1) prevents the award of contract and subcontract unless such contractor submits a report covering the delinquent period or such other period specified by the Federal Highway Administration or by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

(Continued)

ORDER NO.:
CONTRACT ID. NO.:

Form C-105
page 2

3. The bidder certifies to the best of its knowledge and belief, that it and its principals:
- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within a three year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated above; and
 - (d) Where the bidders is unable to certify to any of the statements in this certification, the bidder shall show an explanation below.

Explanations will not necessarily result in denial of award, but will be considered in determining bidder responsibility. For any explanation noted, indicate below to whom it applies, initiating agency, and dates of action. Providing false information may result in federal criminal prosecution or administration sanctions. The bidder shall provide immediate written notice to the Department if at any time the bidder learns that its certification was erroneous when submitted or has become erroneous by reason of change circumstances.

The undersigned is duly authorized by the bidder to make the foregoing statements to be filed with bids submitted on behalf of the bidder for contracts to be let by the Commonwealth Transportation Board.

Signed at _____, this _____ day of _____, 20____
County (City), STATE

By: _____
(Name of Firm) (Signature) Title (print)

STATE of _____ COUNTY (CITY) of _____

To-wit: _____, a Notary Public in and for the State and
County(City) aforesaid, hereby certify that this day _____

personally appeared before me and made oath that he is duly authorized to make the above statements and that such statements are true and correct.

Subscribed and sworn to before me this _____ day of _____, 20____

My Commission expires _____
Notary Public

VIRGINIA DEPARTMENT OF TRANSPORTATION
SPECIAL PROVISION FOR
USE OF DOMESTIC MATERIAL

May 3, 1995c
Reissued July 9, 2002

Section 102.05 Preparation of Bid of the Specifications is amended to include the following:

Except as otherwise specified, all iron and steel products (including miscellaneous steel items such as fasteners, nuts, bolts and washers) incorporated for use on this project shall be produced in the United States of America; unless the use of any such items will increase the cost of the overall project by more than 25 percent. "Produced in the United States of America" means all manufacturing processes whereby a raw material or a reduced iron ore material is changed, altered or transformed into an item or product which, because of the process, is different from the original material, must occur in one of the 50 States, the District of Columbia, Puerto Rico or in the territories and possessions of the United States. Raw materials such as iron ore, pig iron, processed, pelletized and reduced iron ore and other raw materials used in steel products may, however, be imported. All iron and steel items will be classified hereinafter as "domestic" or "foreign", identified by and subject to the provisions herein. In the event use of the aforementioned "domestic" iron and steel will increase the cost of the overall project by more than 25 percent, the Contractor may furnish either "domestic" or "foreign" items.

In the event the Contractor proposes to furnish "foreign" iron and steel and can verify a savings in excess of 25 percent of the overall project cost, the bid proposal (Form C-7 and Supportive Data supplement) shall be completed using the best price offer for each bid item.

Award of the contract will be made to the bidder who submits the lowest total bid based on furnishing "domestic" iron and steel items, unless such total bid exceeds the lowest total bid based on furnishing "foreign" iron and steel items by more than 25 percent.

The information listed on the Supportive Data sheet will be used to provide the basis for verification of the required cost savings. In the event comparison of the prices given, or corrected as provided in Section 103.01 of the Specifications, shows that use of "foreign" iron and steel does not represent a cost savings exceeding the aforementioned 25 percent, "domestic" iron and steel and prices given therefor shall be used and the "100 percent Domestic Items Total" shall be the Contractor's bid.

In the event the total cost of all "foreign" iron and steel does not exceed one-tenth of one percent of the total contract cost or \$2,500, whichever is greater, the use of such material will not be restricted by the requirements herein. However, by signing the bid, the Bidder certifies that such cost does not exceed the limits established herein.

Prior to final payment the Contractor shall obtain from the supplier and furnish to the Department a certificate of compliance with the domestic requirements herein. The Contractor may personally certify that miscellaneous iron and steel and hardware conforms to the domestic requirements herein.

VIRGINIA DEPARTMENT OF TRANSPORTATION
SPECIAL PROVISION FOR
SECTION 110.04

November 4, 2004

Section 110.04 of the Specifications is replaced by the following:

Section 110.04 Use of Disadvantaged Business Enterprises (DBEs)

Disadvantaged Business Enterprise (DBE) Program Requirements.

Any Contractor, subcontractor, supplier, DBE firm, and contract surety involved in the performance of work on a federal-aid contract shall comply with the terms and conditions of the USDOT DBE Program as the terms appear in Part 26 of the Code of Federal Regulations (49 CFR as amended), the USDOT DBE Program regulations; and VDOT's Road and Bridge Specifications and DBE Program rules and regulations.

All time frames referenced in this provision are expressed in workdays unless otherwise indicated. Should the expiration of any deadline fall on a weekend or holiday, such deadline will automatically be extended to the next normal workday.

All administrative remedies noted in this provision are automatic unless the Contractor exercises the right of appeal within the required timeframe(s) specified herein. Appeal requirements, processes, and procedures shall be in accordance with guidelines stated herein and current at the time of the proceedings. Where applicable, the Department will notify the Contractor of any changes to the appeal requirements, processes, and procedures after receiving notification of the Contractor's desire to appeal.

Miscellaneous DBE Program Requirements.

In accordance with 49 CFR Part 26 and VDOT's DBE Program requirements, the Contractor, for itself and for its subcontractors and suppliers, whether certified DBE firms or not, shall commit to complying fully with the auditing, record keeping, confidentiality, cooperation, and anti-intimidation or retaliation provisions contained in those federal and state DBE Program regulations. By bidding on this contract, and by accepting and executing this contract, the Contractor agrees to assume these contractual obligations and to bind the Contractor's subcontractors contractually to the same at the Contractor's expense.

Required Contract Provisions.

For the purposes of this provision, Contractor is defined as the Prime Contractor of the contract; and sub-contractor is defined as any DBE supplier, manufacturer, or subcontractor performing work or furnishing material, supplies or services to the contract. The Contractor shall physically include this same contract provision in every supply or work/service subcontract that it makes or executes with a subcontractor having work for which it intends to claim credit.

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR Part 26 in the award, administration, and performance of this contract. Failure by the Contractor to carry out these requirements is a material breach of this contract, which will result in the termination of this contract or other such remedy, as VDOT deems appropriate.

Bank Services.

The Contractor and each subcontractor are encouraged to use the services of banks owned and controlled by socially and economically disadvantaged individuals. Such banking services and the fees charged for services typically will not be eligible for DBE Program contract goal credit. Such information is available from the VDOT's Internet Civil Rights Division website: www.Virginiadot.org/business/bu-civil-rights-support-specs.

DBE Certification.

The only DBE firms eligible to perform work on a federal-aid contract for DBE contract goal credit are firms certified as Disadvantaged Business Enterprises by the Department of Minority Business Enterprises or VDOT in accordance with federal and VDOT guidelines. A directory listing of certified DBE firms can be obtained from Department of Minority Business Enterprises Internet website: www.dmbe.state.va.us

DBE Program-related Certifications Made by Bidders\Contractors.

Bids will be considered non-responsive and will be rejected for failure to comply with the requirements of this Special Provision and the contract specifications. By submitting a bid and by entering into any contract on the basis of that bid, the bidder/Contractor certifies to each of the following DBE Program-related conditions and assurances:

- (1) That the management and bidding officers of its firm agree to comply with the bidding and project construction and administration obligations of the USDOT DBE Program requirements and regulations of 49 CFR Part 26 as amended, and VDOT's Road and Bridge Specifications and DBE Program requirements and regulations.
- (2) Under penalty of perjury and other applicable penal law that it has complied with the DBE Program requirements in submitting the bid, and shall comply fully with these requirements in the bidding, award, and execution of the contract.
- (3) To ensure that certified DBE firms have been given full and fair opportunity to participate in the performance of the contract. The bidder certifies that all reasonable steps were, and will be, taken to ensure that DBE firms had and will have an opportunity to compete for and perform work on the contract. The bidder further certifies that the bidder shall not discriminate on the basis of race, color, age, national origin, or sex in the performance of the contract or in the award of any subcontract.

Any agreement between a bidder and a DBE whereby the DBE promises not to provide quotations for performance of work to other bidders is prohibited.

- (4) As a bidder good faith efforts were made to obtain certified DBE participation in the proposed contract at or above the goal for certified DBE participation established by VDOT. It has submitted as a part of its bid a true, accurate, complete, and detailed written explanation of the good faith efforts it performed to meet the contract goal for certified DBE participation.
- (5) Once awarded the contract, the Contractor shall make good faith efforts to utilize certified DBE firms to perform work designated to be performed by certified DBEs at or above the amount or percentage of the dollar value specified in the bidding documents. Further, the Contractor understands it shall not unilaterally terminate, substitute for, or replace any DBE firm that was designated in the executed contract in whole or in part with another DBE, any non-DBE firm, or with the Contractor's own forces or those of an affiliate of the Contractor without the prior written consent of VDOT as set out within the requirements of this provision.

Once a contract is awarded, the Contractor shall designate and make known to the Department a liaison officer who is assigned the responsibility of administering and promoting an active and inclusive DBE program as required by 49 CFR Part 26 for certified DBEs. The designation and identity of this officer need be submitted only once by the Contractor during any twelve (12) month period at the preconstruction conference for the first contract the Contractor has been awarded during that reporting period. The Department will post such information for informational and administrative purposes at VDOT's Internet Civil Rights Division website.

- (6) Once awarded the contract, the Contractor shall comply fully with all regulatory and contractual requirements of the USDOT DBE Program, and that each DBE firm participating in the contract shall fully perform the designated work items with the DBE's own forces and equipment under the DBE's direct supervision, control, and management. If it is awarded the contract and if VDOT determines that as the Contractor, a DBE or any other firm retained by the Contractor has failed to comply with federal or VDOT DBE Program regulations and/or their requirements on that contract, VDOT has the authority and discretion to determine the extent to which the DBE contract goals have not been met, and will assess against the Contractor any remedies available at law or provided in the contract in the event of such a contract breach.
- (7) In the event a bond surety takes over the completion of work after VDOT has terminated the prime Contractor, the surety shall be obligated to meet the same DBE contract goals as were required of the original prime Contractor in accordance with the requirements of this specification.

Designation of DBE Firms to Perform on Contract.

The bidder, by signing and submitting its bid, certifies the DBE participation information submitted within the stated time thereafter is true, correct, and complete, and that the information provided includes the names of all certified DBE firms that will participate in the contract, the specific line item(s) that each listed certified DBE firm will perform, and the creditable dollar amounts of the participation of each listed certified DBE. The specific line item must reference the VDOT line number and item number contained in the proposal. The bidder further certifies, by signing its bid, it has committed to use each certified DBE firm listed for the specific work item shown to meet the contract goal for certified DBE participation. Award of the contract will be conditioned upon meeting these and other listed requirements of 49 CFR Part 26.53 and the contract documents.

By signing the bid, the bidder certifies on work it proposes to sublet, it has made good faith efforts to seek out and consider certified DBEs as potential subcontractors. The bidder shall contact DBEs to solicit their interest, capability, and prices in sufficient time to allow them to respond effectively, and shall retain on file proper documentation to substantiate its good faith efforts.

When a DBE firm has been removed from eligibility as a certified DBE firm, the following actions will be taken:

- (1) When a Contractor has made a commitment to use a DBE firm that is not currently certified, thereby making the Contractor ineligible to receive DBE participation credit for work performed, and a subcontract has not been executed, the ineligible DBE firm does not count toward either the contract goal or overall goal. The Contractor shall meet the contract goal with a DBE firm that is eligible to receive DBE credit for work performed, or must demonstrate to the Engineer that it has made good faith efforts to do so.

When a Contractor has executed a subcontract with a certified DBE firm prior to official notification of the DBE firm's loss of eligibility, the Contractor may continue to use the

firm on the contract and shall continue to receive DBE credit toward its DBE goal for the subcontractor's work.

When VDOT has executed a prime contract with a DBE firm that is certified at the time of contract execution but that is later ruled ineligible, the portion of the ineligible firm's performance on the contract before VDOT has issued the notice of its ineligibility shall count toward the contract goal.

- (2) If a certified DBE subcontractor is terminated, or fails, refuses, or is unable to complete the work on the contract for any reason, the Contractor must promptly request approval to substitute or replace that firm in accordance with this section of this Special Provision. The Contractor, as aforementioned in (1) above, shall notify VDOT in writing before terminating and/or replacing the certified DBE that was committed as a condition of contract award or that is otherwise being used or represented to fulfill certified DBE contract obligations during the contract performance period. Written consent from the Department for terminating the performance of any DBE shall be granted only when the Contractor can demonstrate that the DBE is unable, unwilling, or ineligible to perform its obligations for which the Contractor sought credit toward the contract DBE goal. Such written consent by the Department to terminate any DBE shall concurrently constitute written consent to substitute or replace the terminated DBE with another DBE. Consent to terminate a certified DBE shall not be based on the Contractor's ability to negotiate a more advantageous contract with another subcontractor whether that subcontractor is, or is not, a certified DBE

(a) Contractor's Written Request to Terminate DBE

All Contractor requests to terminate, substitute, or replace a certified DBE shall be in writing, and shall include the following information:

- (i) The date the Contractor determined the certified DBE to be unwilling, unable, or ineligible to perform;
- (ii) The projected date that the Contractor shall require a substitution or replacement DBE to commence work if consent is granted to the request;
- (iii) A brief statement of facts describing and citing specific actions or inaction by the certified DBE giving rise to the Contractor's assertion that the certified DBE is unwilling, unable, or ineligible to perform;
- (iv) A brief statement of the affected certified DBE's capacity and ability to perform the work as determined by the Contractor;
- (v) A brief statement of facts regarding actions taken by the Contractor which are believed to constitute good faith efforts toward enabling the certified DBE to perform;
- (vi) The current percentage of work completed on each bid item by the certified DBE;
- (vii) The total dollar amount currently paid per bid item for work performed by the DBE;
- (viii) The total dollar amount per bid item remaining to be paid to the certified DBE for work completed, but for which the certified DBE has not received payment, and with which the Contractor has no dispute;

- (ix) The total dollar amount per bid item remaining to be paid to the certified DBE for work completed, but for which the certified DBE has not received payment, and over which the Contractor and/or the certified DBE have a dispute.

(b) Contractor's Written Notice to DBE of Pending Request to Terminate and Substitute With Another DBE

The Contractor shall send a copy of the "request to terminate and substitute" letter to the affected committed DBE firm, in conjunction with submitting the request to the Engineer. The affected DBE firm may submit a response letter to the Department within two (2) working days of receiving the notice to terminate from the Contractor. The affected DBE firm shall explain its position concerning performance on the committed work. The Department will consider both the Contractor's request and the DBE's response and explanation before approving the Contractor's termination and substitution request, or determining if any action should be taken against the Contractor.

If, after making its best efforts to deliver a copy of the "request to terminate and substitute" letter, the Contractor is unsuccessful in notifying the affected DBE firm, the Department will verify the affected, committed DBE firm is unable or unwilling to continue the contract, and the Department will immediately approve the Contractor's request for a substitution.

(c) Proposed Substitution of Another Certified DBE

Upon termination of a certified DBE, the Contractor shall use reasonable good faith efforts to replace the terminated DBE. The termination of such certified DBE shall not relieve the Contractor of its obligations pursuant to this section, and the unpaid portion of the terminated certified DBE's contract would not be counted toward the contract goal.

When a DBE substitution is necessary the Contractor shall submit in writing the name of another certified DBE firm, the proposed work to be performed by that firm, and the dollar amount of the work to replace the unfulfilled portion of the work of the originally committed DBE firm. The Contractor shall furnish all pertinent information including contract I.D. number, project number, bid item, item description, bid unit and bid quantity, unit price, and total price. In addition, the Contractor shall submit documentation for the requested substitute DBE as described in this section of this Special provision.

Should the Contractor be unable to commit the remaining required dollar value to the substitute DBE, the Contractor shall provide written evidence of good faith efforts made to obtain the substitute value requirement. The Department will review the quality, thoroughness, and intensity of those efforts. Efforts that are merely superficial or pro-forma will not be considered good faith efforts to meet the contract goal for certified DBE participation. The Contractor must document the steps taken that demonstrate good faith efforts to obtain participation as set forth in the **Good Faith Efforts Described** section of this Special Provision.

Bidding Procedures.

The following bidding procedures shall apply to the contract for DBE Program compliance purposes:

Contract Goal, Good Faith Efforts Specified.

All bidders evidencing the attainment of DBE goal commitment equal to or greater than the required DBE goal established for the project must submit completed Form C-111 as a part of the bid documents. Form C-111 may be submitted electronically or may be faxed to the Department, but in no case shall the bidder's Form C-111 be received later than 2 hours after the time stated in the bid proposal for the receipt of bids.

If, at the time of submitting its bid the bidder knowingly cannot meet or exceed the required DBE contract goal, it shall submit Form C-111 exhibiting the DBE participation it attained as a part of its bid documents. The bidder shall then submit its good faith efforts within two (2) working days after the bid opening.

The lowest responsive and responsible bidder must submit its properly executed Form C-112 within two (2) working days after the bids have been opened and the determination of apparent lowest bidder. If, after review of the apparent lowest bid, VDOT determines the DBE requirements have not been met, the apparent lowest successful bidder must submit good faith documentation, which must be received by the Contract Engineer within two (2) working days after official notification of such failure to meet the aforementioned DBE requirements.

Good Faith Efforts Described.

Good faith efforts may be determined through use of the following list of the types of actions the bidder may make to obtain DBE participation. This is not intended to be a mandatory checklist, nor is it intended to be exclusive or exhaustive. Other factors or types of efforts of similar intent may be relevant in appropriate cases:

- (1) Soliciting through reasonable and available means, such as but not limited to, attendance at pre-bid meetings, advertising, and written notices to certified DBEs who have the capability to perform the work of the contract. Examples include: advertising in at least one daily newspaper of general circulation; phone contact with a completely documented telephone log, including the date and time called, contact person, or voice mail status; and internet contacts with supporting documentation, including dates advertised. The bidder shall solicit this interest no less than five (5) business days before the bids are due so that the solicited DBEs have enough time to reasonably respond to the solicitation. The bidder shall determine with certainty if the DBEs are interested by taking reasonable steps to follow up initial solicitations as evidenced by documenting such efforts on Department standard good faith documentation forms;
- (2) Selecting portions of the work to be performed by certified DBEs in order to increase the likelihood that the DBE goals will be achieved. This includes, where appropriate, breaking out contract work items into economically feasible units to facilitate DBE participation, even when the Contractor might otherwise prefer to perform these work items completely or with its own forces;
- (3) Providing interested certified DBEs with adequate information about the plans, specifications, and requirements of the contract in a timely manner, which will assist the DBEs in responding to a solicitation;

- (4) Negotiating for participation in good faith with interested DBEs;
 - (a) Evidence of such negotiation shall include the names, addresses, and telephone numbers of DBEs that were considered; dates DBEs were contacted, a description of the information provided regarding the plans, specifications, and requirements of the contract for the work selected for subcontracting; and, if insufficient DBE participation seems likely, evidence as to why additional agreements could not be reached for DBEs to perform the work;
 - (b) A bidder using good business judgment should consider a number of factors in negotiating subcontractors, including certified DBE subcontractors, and should take a firm's price, qualifications, and capabilities, as well as contract goals, into consideration. However, the fact that there may be some additional costs involved in finding and using certified DBEs is not sufficient reason for a bidder's failure to meet the contract goal for certified DBE participation, as long as such costs are reasonable and comparable to costs customarily appropriate to the type of work under consideration. Also, the ability or desire of a bidder to perform the work of a contract with its own organization does not relieve the bidder of the responsibility to make diligent good faith efforts. Bidders are not, however, required to accept higher quotes from DBEs if the price difference can be shown by the bidder to be excessive, unreasonable; or greater than would normally be expected by industry standards;
- (5) A bidder cannot reject a certified DBE as being unqualified without sound reasons based on a thorough investigation of the DBE's capabilities. The certified DBE's standing within its industry, membership in specific groups, organizations, associations and political or social affiliations, and union vs. non-union employee status are not legitimate causes for the rejection or non-solicitation of bids in the bidder's efforts to meet the project goal for certified DBE participation;
- (6) Making efforts to assist interested certified DBEs in obtaining bonding, lines of credit, or insurance as required by VDOT or by the bidder/Contractor;
- (7) Making efforts to assist interested certified DBEs in obtaining necessary equipment, supplies, materials, or related assistance or services subject to the restrictions contained in these provisions;
- (8) Effectively using the services of appropriate personnel from VDOT and from the Virginia Department of Minority Business Enterprises, (VDMBE); available minority/women community or minority organizations; contractors' groups; local, state, and Federal minority/ women business assistance offices; and other organizations as allowed on a case-by-case basis to provide assistance in the recruitment and utilization of qualified DBEs.

Bid Rejection.

The failure of a bidder to submit the required documentation within the timeframes specified in the **Contract Goal, Good Faith Efforts Specified** section of this Special Provision may be cause for rejection of that bidder's bid.

In order to award a contract to a bidder that has failed to meet DBE contract goal requirements, VDOT will determine if the bidder's efforts were adequate good faith efforts,

and if given all relevant circumstances, those efforts were to the extent a bidder actively and aggressively seeking to meet the requirements would make. Efforts to obtain DBE participation are not good faith efforts if they could not reasonably be expected to produce a level of DBE participation sufficient to meet the DBE Program and contract goal requirements.

If the lowest bidder is rejected for failure to submit required documentation, the Department may either award the work to the next lowest bidder, or re-advertise and construct the work under contract or otherwise as determined by the Commonwealth Transportation Board (CTB).

Documentation, and Administrative Reconsideration of Good Faith Efforts.

During Bidding

As described in the **Contract Goal, Good Faith Efforts Specified** section of this Special Provision, the bidder must provide certified written documentation of its good faith efforts made to meet the DBE contract goal as proposed by VDOT within the timeframe specified in this section of the provision. No extension of time for submittal of good faith effort documentation will be allowed. The means of transmittal and the risk for timely receipt of this information shall be the responsibility of the bidder. The bidder shall attach additional pages to the certification, if necessary, in order to fully detail specific good faith efforts made to obtain certified DBE firm participation in the proposed contract work.

However, regardless of the DBE contract goal participation level proposed by the bidder or the extent of good faith efforts shown, all bidders shall timely and separately file their completed and executed Forms C-111 and C-112 and good faith efforts as aforementioned, or face potential bid rejection. If a bidder does not submit its completed and executed C-111 or C-112 when required by this Special Provision the bidder's bid will be considered non-responsive and will be rejected.

Where the Department upon initial review of the bid results determines the apparent low bidder has failed or appears to have failed to meet the requirements of the **Contract Goal, Good Faith Efforts Specified** section of this Special Provision and has failed to adequately document that it made a good faith effort to achieve sufficient DBE participation as specified in the bid proposal, that firm upon notification of the Department's initial determination will be offered the opportunity for administrative reconsideration before VDOT rejects that bid as non-responsive. The bidder shall address such request for reconsideration in writing to the Contract Engineer within five (5) days of receipt of notification by the Department and shall be given the opportunity to discuss the issue and present its evidence in person to the Administrative Reconsideration Panel. The Administrative Reconsideration Panel will be made up of VDOT Division Administrators for the Civil Rights, Scheduling and Contract and Procurement divisions, none of who took part in the initial determination that the bidder failed to make the goal or make adequate good faith efforts to do so. After reconsideration, VDOT shall notify the bidder in writing of its decision and explain the basis for finding that the bidder did or did not meet the goal or make adequate good faith efforts to do so.

If, after reconsideration, the Department determines the bidder has failed to meet the requirements of the contract goal and has failed to make adequate good faith efforts to achieve the level of DBE participation as specified in the bid proposal, the bidder's bid will be rejected.

If sufficient documented evidence is presented to demonstrate that the apparent low bidder made reasonable good faith efforts, the Department will award the contract and reduce the DBE requirement to the actual commitment identified by the lowest successful bidder at the time of its bid.

However, such action will not relieve the Contractor of its responsibility for complying with the reduced DBE requirement during the life of the contract or any administrative sanctions as may be appropriate.

During the Contract

If the Contractor fails upon completion of the project to meet the required participation, the Contractor and any prime contractual affiliates, as in the case of a joint venture, may be enjoined from bidding as a prime Contractor, or participating as a subcontractor on VDOT projects for a period of 90 days.

Prior to enjoinder from bidding or denial to participate as a subcontractor for failure to comply with participation requirements, as provided hereinbefore, the Contractor may submit documentation to the Engineer to substantiate that failure was due solely to quantitative underrun(s) or elimination of items subcontracted to DBEs, and that all feasible means have been used to obtain the required participation. The Engineer upon verification of such documentation shall make a determination whether or not the Contractor has met the requirements of the contract.

If it is determined that the aforementioned documentation is insufficient or the failure to meet required participation is due to other reasons, the Contractor may request an appearance before the Administrative Reconsideration Panel to establish that all feasible means were used to meet such participation requirements. The decision of the Administrative Reconsideration Panel shall be administratively final. The enjoinder period will begin upon the Contractor's failure to request a hearing within the designated time frame or upon the Administrative Reconsideration Panel's decision to enjoin, as applicable.

DBE Participation for Contract Goal Credit

DBE participation on the contract will count toward meeting the DBE contract goal in accordance with the following criteria:

- (1) Cost-plus subcontracts will not be considered to be in accordance with normal industry practice and will not normally be allowed for credit.
- (2) The applicable percentage of the total dollar value of the contract or subcontract awarded to the DBE will be counted toward meeting the contract goal for certified DBE participation in accordance with the **Designation of DBE Firms to Perform on Contract** section of this Special Provision for the value of the work, goods, or services that are actually performed or provided by the certified DBE firm itself or subcontracted by the certified DBE to other certified DBE firms.
- (3) When a certified DBE performs work as a participant in a joint venture, the Contractor may count toward the DBE goal only that portion of the total dollar value of the contract equal to the distinctly defined portion of the contract work that the DBE has performed with the DBE's own forces or in accordance with the provisions of this Section. The Department shall be contacted in advance regarding any joint venture involving both a certified DBE firm and a non-DBE firm to coordinate Department review and approval of the joint venture's organizational structure and proposed operation where the Contractor seeks to claim the certified DBE's credit toward the DBE contract goal.

When a DBE subcontracts part of the work of the contract to another firm, the value of that subcontracted work may be counted toward the DBE contract goal only if the DBE's subcontractor at a lower tier is a VDOT certified DBE. Work that a certified DBE subcontracts to either a non-DBE firm or to a non-certified DBE firm will not count

toward the DBE contract goal. The cost of supplies and equipment a DBE subcontractor purchases or leases from the prime Contractor or the prime's affiliated firms will not count toward the contract goal for certified participation.

- (4) The Contractor may count expenditures to a certified DBE subcontractor toward the DBE contract goal only if the certified DBE performs a Commercially Useful Function (CUF) on that contract.
- (5) A Contractor may not count the participation of a certified DBE subcontractor toward the Contractor's final compliance with the DBE contract goal obligations until the amount being counted has actually been paid to the certified DBE. A Contractor may count sixty (60) percent of its expenditures actually paid for materials and supplies obtained from a DBE certified by VDOT as a regular dealer, and one hundred (100) percent of such expenditures actually paid for materials and supplies obtained from a VDOT certified DBE manufacturer.
 - (a) For the purposes of this Special Provision, a regular dealer is defined as a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the material, supplies, articles, or equipment required and used under the contract are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. To be a regular dealer, the certified DBE firm shall be an established business that regularly engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions will not be considered regular dealers.
 - (b) A certified DBE firm may be a regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business where it keeps such items in stock if the certified DBE both owns and operates distribution equipment for the products it sells and provides for the contract work. Any supplementation of a regular dealer's own distribution equipment shall be by a long-term lease agreement and not on an *ad hoc* or contract-by-contract basis to be eligible for credit to meet the DBE contract goal.
 - (c) If a certified DBE regular dealer is used for DBE contract goal credit, no additional credit will be given for hauling or delivery to the project site goods or materials sold by that certified DBE regular dealer. Those delivery costs shall be deemed included in the price charged for the goods or materials by the certified DBE regular dealer, who shall be responsible for their distribution.
 - (d) For the purposes of this Special Provision, a manufacturer will be defined as a firm that operates or maintains a factory or establishment that produces on the premises the material, supplies, articles, or equipment required under the contract and of the general character described by the project specifications. A manufacturer shall include firms that produce finished goods or products from raw or unfinished material, or purchase and substantially alter goods and materials to make them suitable for construction use before reselling them.
- (6) A Contractor may count toward the DBE contract goal the following expenditures to certified DBE firms that are not regular dealers or manufacturers for DBE program purposes:
 - (a) The entire amount of fees or commissions charged by a certified DBE firm for providing a bona fide service, such as professional, technical, consultant or managerial services, or for providing bonds or insurance

specifically required for the performance of the federal-aid contract, if the fee is reasonable and not excessive or greater than would normally be expected by industry standards for the same or similar services.

- (b) The entire amount of that portion of the construction contract that is performed by the certified DBE's own forces and equipment under the DBE's supervision. This includes the cost of supplies and materials ordered and paid for by the certified DBE for contract work, including supplies purchased or equipment leased by the certified DBE, except supplies and equipment a certified DBE subcontractor purchases or leases from the prime Contractor or its affiliates.
- (7) A Contractor may count toward the DBE contract goal one hundred (100) percent of the fees paid to a certified DBE trucker or hauler for the delivery of material and supplies required on the project job site, but not for the cost of those materials or supplies themselves, provided that the trucking or hauling fee is determined by VDOT to be reasonable, as compared with fees customarily charged by non-DBE firms for similar services. Nor could a Contractor count costs for the removal or relocation of excess material from or on the job site when the certified DBE trucking company is not also the manufacturer of or a regular dealer in those materials and supplies. The certified DBE trucking firm shall also perform a CUF on the project and not operate merely as a pass through for the purposes of gaining credit toward the DBE contract goal. Prior to submitting a bid, the Contractor shall determine, or contact the VDOT Civil Rights Division or its district Offices for assistance in determining, whether a DBE trucking firm will meet the criteria for performing a CUF on the project.
- (8) The Contractor will receive DBE contract goal credit for the fees or commissions charged by and paid to a certified DBE broker who arranges or expedites sales, leases, or other project work or service arrangements provided that those fees are determined by VDOT to be reasonable and not excessive as compared with fees customarily charged by non-DBE firms for similar services. For the purposes of this Special Provision, a broker is defined as a person or firm that arranges for delivery of material, supplies, and equipment, or arranges project services but does not own or operate the delivery equipment necessary to transport materials, supplies, or equipment to or from a job site. A broker typically shall not purchase or pay for the material, supplies, or equipment, and if the broker does purchase or pay for those items those costs will be reimbursed in full. To receive DBE contract goal credit VDOT must determine that the DBE broker has performed a CUF in providing the contract work or service.

Performing a Commercially Useful Function (CUF)

No credit toward the DBE contract goal will be allowed for contract payments or expenditures to a certified DBE firm if that DBE firm does not perform a CUF on that contract. A DBE performs a CUF when the DBE is solely responsible for execution of a distinct element of the contract work and the DBE actually performs, manages, and supervises the work involved with the firm's own forces or in accordance with the provisions of the **DBE Participation for Contract Goal Credit** section of this Special Provision. To perform a CUF the certified DBE alone shall be responsible and bear the risk for the material and supplies used on the contract, selecting a supplier or dealer from those available, negotiating price, determining quality and quantity, ordering the material and supplies, installing those materials with the certified DBE's own forces and equipment, and paying for those materials and supplies. The amount the certified DBE firm is to be paid under the contract shall be commensurate with the work the certified DBE actually performs and the DBE credit claimed for the certified DBE's performance.

Monitoring CUF Performance

It shall be the Contractor's responsibility to ensure that all certified DBE firms selected for subcontract work on the contract, for which he seeks to claim credit toward the contract goal, perform a CUF. Further, the Contractor is responsible for and shall ensure that each certified DBE firm fully performs the certified DBE's designated tasks with the certified DBE's own forces and equipment under the certified DBE's own direct supervision and management or in accordance with the provisions of the **DBE Participation for Contract Goal Credit** section of this Special Provision. For the purposes of this provision the DBE's equipment will mean either equipment directly owned by the DBE as evidenced by title, bill of sale or other such documentation or leased by the DBE and over which the DBE has control as evidenced by the leasing agreement from a firm not owned in whole or part by the prime Contractor or an affiliate of the Contractor under this contract.

VDOT will monitor the Contractor's DBE involvement during the performance of the contract. However, VDOT is under no obligation to warn the Contractor that a DBE's participation will not count toward the goal.

DBEs Must Perform a Useful and Necessary Role in Contract Completion

A DBE does not perform a commercially useful function if the DBE's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation.

DBEs Must Perform The Contract Work With Their Own Workforces

If a DBE does not perform and exercise responsibility for at least thirty (30) percent of the total cost of the DBE's contract with the DBE's own work force, or the DBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, VDOT will presume that the DBE is not performing a commercially useful function and such participation will not be counted toward the contract goal.

Factors Used to Determine if a DBE Trucking Firm is Performing a CUF

The following factors will be used to determine whether a DBE trucking company is performing a CUF:

- (1) To perform a CUF the DBE trucking firm shall be completely responsible for the management and supervision of the entire trucking operation for which the DBE is responsible by subcontract on a particular contract. There shall not be a contrived arrangement, including but not limited to any arrangement that would not customarily and legally exist under regular construction project subcontracting practices for the purpose of meeting the DBE contract goal;
- (2) The DBE must own and operate at least one fully licensed, insured, and operational truck used in the performance of the contract work. This does not include a supervisor's pickup truck or a similar vehicle that is not suitable for and customarily used in hauling the necessary materials or supplies;
- (3) The DBE receives full contract goal credit for the total reasonable amount the DBE is paid for the transportation services provided on the contract using trucks the DBE owns, insures, and operates using drivers that the DBE employs and manages;

- (4) The DBE may lease trucks from another certified DBE firm, including from an owner-operator who is certified as a DBE. The DBE firm that leases trucks from another certified DBE will receive credit for the total fair market value actually paid for transportation services the lessee certified DBE firm provides on the contract;
- (5) The DBE may also lease trucks from a non-DBE firm, including an owner-operator. The DBE who leases trucks from a non-DBE is entitled to credit for the total value of the transportation services provided by non-DBE lessees, not to exceed the value of transportation services provided by DBE-owned trucks on the contract. For additional participation by non-DBE lessees, the DBE will only receive credit for the fee or commission it receives as a result of the lease arrangement.

EXAMPLE: DBE Firm X uses two (2) of its own trucks on a contract. The firm leases two (2) trucks from DBE Firm Y and six (6) trucks from non-DBE Firm Z. DBE credit would be awarded for the total transportation services provided by DBE Firm X and DBE Firm Y, and may also be awarded for the total value of transportation services by four (4) of the six (6) trucks provided by non-DBE Firm Z. In all, full DBE credit would be allowed for the participation of eight (8) trucks. With respect to the other two trucks provided by non-DBE Firm Z, DBE credit could be awarded only for the fees or commissions pertaining to those trucks that DBE Firm X receives as a result of the lease with non-DBE Firm Z.

- (6) For purposes of this section, the lease must indicate that the DBE firm leasing the truck has exclusive use of and control over the truck. This will not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, provided the lease gives the DBE absolute priority for and control over the use of the leased truck. Leased trucks must display the name and identification number of the DBE firm that has leased the truck at all times during the life of the lease.

VDOT Makes Final Determination On Whether a CUF Is Performed

VDOT has the final authority to determine whether a DBE firm has performed a CUF on a federal-aid contract. To determine whether a DBE is performing or has performed a CUF, VDOT will evaluate the amount of work subcontracted by that DBE firm or performed by other firms and the extent of the involvement of other firms' forces and equipment. Any DBE work performed by the Contractor or by employees or equipment of the Contractor may be subject to disallowance under the DBE Program, unless the independent validity and need for such an arrangement and work is demonstrated.

Verification of DBE Participation and Imposed Damages.

After contract award, the Contractor shall submit to the Engineer a fully executed subcontract agreement for each DBE used to claim credit in accordance with the requirements stated on Form C-112, executed by both parties stating the work to be performed, details or specifics concerning such work and the price which will be paid for the aforementioned work no later than seven (7) working days prior to the Notice to Proceed. Because of the commercial damage that the Contractor and its DBE subcontractor could suffer if their subcontract pricing, terms, and conditions were known to competitors, the Department staff shall treat subcontract agreements as proprietary Contractor trade secrets with regard to Freedom of Information Act requests. In lieu of subcontract agreements, purchase orders may be submitted for haulers, suppliers, and manufacturers. Such purchase orders must contain, as a minimum, the following information: authorized signatures of both parties; description of the scope of work to include contract item numbers, quantities, and prices; and required federal contract provisions.

The Contractor shall also furnish, and shall require each subcontractor to furnish, information relative to all DBE involvement on the project for each month during the life of the contract in which participation occurs and verification is available. The information shall be indicated on Form C-63 and certified on Form C-63A, or by copies of cancelled checks with appropriate identifying notations. Failure to provide the forms to the Engineer by the Contractor's monthly progress estimate date may result in delay of approval of the Contractor's monthly progress estimate for payment. The names and certification numbers of DBE firms provided by the Contractor on the various forms indicated in this Special Provision shall be exactly as shown on the Department's latest list of certified DBEs. Signatures on all forms indicated herein shall be those of authorized representatives of the bidder as shown on Form C-32 or Form C-32A, or authorized by letter from the bidder. If certified DBE firms are used which have not been previously documented with the Contractor's bid and for which the Contractor now desires to claim credit toward the project goal, the Contractor shall be responsible for submitting necessary documentation in accordance with the procedures stipulated in this Special Provision to cover such work prior to the DBE beginning work.

The Contractor shall submit to the Engineer its progress schedule as required by Section 103.06 of the Specifications or other such specific contract scheduling specification that may include contractual milestones, i.e., monthly or VDOT requested updates. The Contractor shall include a narrative of applicable DBE activities relative to work activities of the Contractor's progress schedule, including the approximate start times and durations of all DBE participation to be claimed for credit that shall result in full achievement of the DBE goal required in the contract.

On contracts awarded on the basis of good faith efforts, narratives or other agreeable format of schedule information requirements and subsequent progress determination shall be based on the commitment information shown on the latest Form C-111 as compared with the appropriate Form C-63.

Prior to beginning any major component or quarter of the work, as applicable, in which DBE work is to be performed, the Contractor shall furnish a revised Form C-111 showing the name(s) and certification number(s) of any currently certified DBEs not previously submitted who will perform the work during that major component or quarter for which the Contractor seeks to claim credit toward the contract DBE goal. The Contractor shall obtain the prior approval of the Department for any assistance it may provide to the DBE beyond its existing resources in executing its commitment to the work in accordance with the requirements listed in the **Good Faith Efforts Described** section of this Special Provision. If the Contractor is aware of any assistance beyond a DBE's existing resources that the Contractor, or another subcontractor, may be contemplating or may deem necessary and that have not been previously approved, the Contractor shall submit a new or revised narrative statement for VDOT's approval prior to assistance being rendered.

If the Contractor fails to comply with correctly completing and submitting any of the required documentation requested by this provision within the specified timeframes, the Department will withhold payment of the monthly progress estimate until such time as the required submissions are received VDOT. Where such failures to provide required submittals or documentation are repeated the Department will move to enjoin the Contractor and any prime contractual affiliates, as in the case of a joint venture, from bidding as a prime Contractor, or participating as a subcontractor on VDOT projects until such submissions are received.

Documentation Required for Semi-final Payment.

On those projects nearing completion, the Contractor must submit Form C-63 and appropriate Form C-63A(s) marked "Semi-Final" within twenty (20) days after the submission of the last regular monthly progress estimate to the Engineer. The forms must include each certified DBE used on the contract work and the work performed by each certified DBE. The forms shall include the actual dollar amount paid to each certified DBE for the accepted creditable work on the contract and monies owed the certified DBE subcontractor. The forms shall be certified under penalty of perjury,

or other applicable law, to be accurate and complete. VDOT will use this certification and other information available to determine applicable DBE credit allowed to date by VDOT and the extent to which the DBEs were fully paid for that work. The Contractor shall acknowledge by the act of filing the forms that the information is supplied to obtain payment regarding a federal participation contract. A letter of certification, signed by both the prime Contractor, will accompany the forms and appropriate certified DBEs, indicating the amount, including any retainage that remains to be paid to the certified DBE(s).

Documentation Required for Final Payment.

On those projects that are complete, the Contractor shall submit a final Form C-63 and Form C-63A(s) marked "Final" to the Engineer within thirty (30) days of final acceptance. The forms must include each certified DBE used on the contract and the work performed by each DBE. The forms shall include the actual dollar amount paid to each DBE for the creditable work on the contract and monies owed the DBE subcontractor. VDOT will use these forms and other information available to determine if the Contractor and DBEs have satisfied the DBE contract goal percentage specified in the contract and the extent to which the DBEs were paid for that work. The Contractor shall acknowledge by the act of signing and filing the forms that the information is supplied to obtain payment regarding a federal participation contract.

Prompt Payment Requirements.

The Contractor shall make prompt and full payment to the subcontractor(s) of any retainage held by the prime Contractor after the subcontractor's work is satisfactorily completed.

For purposes of this Special Provision, a subcontractor's work is satisfactorily completed when all the tasks called for in the subcontract have been accomplished, documented, and accepted as required by the contract documents by VDOT. When VDOT has made partial acceptance of a portion of the prime contract, the Department will consider the work of any subcontractor covered by that partial acceptance to be satisfactorily completed. Payment will be made in accordance with the requirements of Section 107.01, Section 109.07, and Section 109.09 of the Specifications.

Upon VDOT's payment of the subcontractor's portion of the work as shown on the monthly progress estimate and the receipt of payment by the Contractor for such work, the Contractor shall make compensation in full to the subcontractor for that portion of the work satisfactorily completed and accepted by the Department. For the purposes of this Special Provision, payment of the subcontractor's portion of the work shall mean the Contractor has issued payment in full, less agreed upon retainage, if any, to the subcontractor for that portion of the subcontractor's work that VDOT paid to the Contractor on the monthly progress estimate.

The Contractor shall make payment of the subcontractor's portion of the work within seven (7) days of the receipt of payment from VDOT in accordance with the requirements of Section 109.10 of the Specifications.

If the Contractor fails to make payment of the subcontractor's portion of the work within the timeframe specified herein, the subcontractor shall contact the Engineer and the Contractor's bonding company in writing. The bonding company and VDOT will investigate the cause for non-payment and, barring mitigating circumstances that would make the subcontractor ineligible for payment, ensure payment in accordance with the requirements of Section 109.10 of the Specifications.

The Department will withhold payment of the Contractor's monthly progress estimates until the Contractor ensures that the subcontractors have been promptly paid for the work that they have performed successfully and for which the Department has accepted and paid the Contractor.

By bidding on this contract, and by accepting and executing this contract, the Contractor agrees to assume these contractual obligations, and to bind the Contractor's subcontractors contractually to those prompt payment requirements.

Nothing contained herein shall preclude the Contractor from withholding payment to the subcontractor in accordance with the terms of the subcontract in order to protect the Contractor from loss or cost of damage due to a breach of agreement by the subcontractor.

Data Collection

In accordance with 49CFR Section 26.11, all firms bidding on prime contracts and bidding or quoting subcontracts on federal-aid projects shall provide the following information to the Contract Engineer annually.

- Firm name;
- Firm address;
- Firm's status as a DBE or non-DBE;
- The age of the firm; and
- The annual gross receipts of the firm.

The above information can be submitted by means of the Annual Gross Receipts Survey as required in the Prequalification/Certification application.

All bidders, including DBE prime Contractor bidders, shall complete and submit to the Contract Engineer the Subcontractor/Supplier Solicitation and Utilization Form C-48 for each bid submitted within ten (10) days after the bid opening. Failure of bidders to submit this form in the timeframe specified will be cause for rejection of the bid.

Summary of Remedies Available to VDOT

Failure of any bidder/Contractor to comply with the requirements of this Special Provision for Section 110.04 of the Virginia Road and Bridge Specifications, which is deemed to be a condition of bidding, or where a contract exists, is deemed to constitute a breach of contract shall be remedied in accordance with the following:

Disadvantaged Business Enterprise (DBE) Program Requirements.

All administrative remedies noted in this provision are automatic unless the Contractor exercises the right of appeal within the required timeframe(s) specified herein.

DBE Program-related Certifications Made by Bidders/Contractors

Bids will be considered non-responsive and will be rejected for failure to comply with the requirements of this Special Provision and the contract specifications. Where a contract exists and where the Contractor, a DBE or any other firm retained by the Contractor has failed to comply with federal or VDOT DBE Program regulations and/or their requirements on that contract, VDOT has the authority and discretion to determine the extent to which the DBE contract goals have not been met, and will assess against the Contractor any remedies available at law or provided in the contract in the event of such a contract breach.

Bid Rejection

The failure of bidders to submit the required documentation within the timeframes specified in the Contract Goal, Good Faith Efforts Specified section of this Special Provision may be cause for rejection of the bid.

If the lowest bidder is rejected for failure to submit required documentation, the Department may either award the work to the next lowest bidder, or re-advertise and construct the work under contract or otherwise as determined by the Commonwealth Transportation Board (CTB).

Documentation and Administrative Reconsideration of Good Faith Efforts

During Bidding

Regardless of the DBE contract goal participation level proposed by the bidder or the extent of good faith efforts shown, all bidders shall timely and separately file their completed and executed Forms C-111 and C-112 and good faith efforts as aforementioned or face potential bid rejection. If a bidder does not submit its completed and executed C-111 or C-112 when required by this Special Provision the bidder's bid will be considered non-responsive and will be rejected.

If, after reconsideration, the Department determines the bidder has failed to meet the requirements of the contract goal and has failed to make adequate good faith efforts to achieve the level of DBE participation as specified in the bid proposal, the bidder's bid will be rejected.

If sufficient documented evidence is presented to demonstrate that the apparent low bidder made reasonable good faith efforts, the Department will award the contract and reduce the DBE requirement to the actual commitment identified by the lowest successful bidder at the time of its bid. However, such action will not relieve the Contractor of its responsibility for complying with the reduced DBE requirement during the life of the contract or any administrative sanctions as may be appropriate.

During the Contract

If the Contractor fails upon completion of the project to meet the required participation, the Contractor and any prime contractual affiliates, as in the case of a joint venture, may be enjoined from bidding as a prime Contractor, or participating as a subcontractor on VDOT projects for a period of 90 days.

Verification of DBE Participation and Imposed Damages for Non-compliance

If the Contractor fails to comply with correctly completing and submitting any of the required documentation requested by this provision within the specified timeframes, the Department will withhold payment of the monthly progress estimate until such time as the required submissions are received by VDOT. Where such failures to provide required submittals or documentation are repeated, the Department will move to enjoin the Contractor and any prime contractual affiliates, as in the case of a joint venture, from bidding as a prime Contractor, or participating as a subcontractor on VDOT projects until such submissions are received.

Prompt Payment Requirements

The Department will withhold payment of the Contractor's monthly progress estimates until the Contractor ensures that the subcontractors have been promptly paid for the work that they have performed successfully, and for which the Department has accepted and paid the Contractor.

In addition to the remedies described heretofore in this provision VDOT also exercises its rights with respect to the following remedies:

Suspect Evidence of Criminal Behavior.

Failure of a bidder, Contractor, or subcontractor to comply with the Virginia Department of Transportation Road and Bridge Specifications and these Special Provisions wherein there appears to be evidence of criminal conduct shall be referred to the Attorney General for the Commonwealth of Virginia and/or the FHWA Inspector General for criminal investigation and, if warranted, prosecution.

Suspected DBE Fraud

In appropriate cases, VDOT will bring to the attention of the U. S. Department of Transportation (USDOT) any appearance of false, fraudulent, or dishonest conduct in connection with the DBE program, so that USDOT can take the steps, e.g., referral to the Department of Justice for criminal prosecution, referral to the USDOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules provided in 49CFR Part 31.

VIRGINIA DEPARTMENT OF TRANSPORTATION
SPECIAL PROVISION FOR
**NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE
EQUAL EMPLOYMENT OPPORTUNITY (EXECUTIVE ORDER 11246)**

1. The Offeror's or Bidder's attention is called to the "Equal Opportunity Clause" and the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" set forth herein.
2. The goals for female and minority participation, expressed in percentage terms of the Contractor's aggregate work force in each trade on all construction works in the covered area, are as follows:

Females- 6.9%

Minorities - See Attachment "A"

The goals are applicable to all the Contractor's construction work performed in the covered area, whether or not it is Federal or federally assisted. If the Contractor performs construction work in a geographical area located outside of the covered area, it shall apply the goals established for such geographical area where the work is actually performed. With regard to this second area, the Contractor also is subject to the goals for both its federally involved and non-federally involved construction.

The Contractor's compliance with the Executive Order and the regulations in 41 CFR Part 60-4 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative action obligations required by the specifications, set forth in 41 CFR 60-4.3(a), and its efforts to meet the goals established herein. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract, and in each trade, and the Contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting the Contractor's goals shall be a violation of the contract, the Executives Order and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

3. The Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days the award of any construction subcontract in excess of \$10,000 at any tier for construction works under this contract. The notification shall list the name, address and telephone number of the subcontractor, employer identification number, estimated dollar amount of the subcontract, estimated starting and completion dates of the subcontract. and the geographical area in which the contract is to be performed.

**STANDARD FEDERAL EQUAL EMPLOYMENT OPPORTUNITY
CONSTRUCTION CONTRACT SPECIFICATIONS (EXECUTIVE ORDER 11246)**

1. As, used in this provision:
 - a. "Covered area" means the geographical area described in the solicitation from which this contract resulted;
 - b. "Director" means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;
 - c. "Employer identification number" means the Federal Social Security number used on the Employer's Quarterly Federal Tax Return, U. S. Treasury Department Form 941;

- d. "Minority" includes:
- (i) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin);
 - (ii) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish Culture or origin, regardless of race);
 - (iii) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and
 - (iv) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).
2. Whenever the Contractor, or any Subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of \$10,000 the provisions of these specifications and the Notice which contains the applicable goals for minority and female participation.
3. If the Contractor is participating (pursuant to 41 CFR 60-4.5) in a Hometown Plan approved by the U. S. Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and timetables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each Contractor or Subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other Contractors and Subcontractors toward a goal in an approved Plan does not excuse any covered Contractor's or Subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.
4. The Contractor shall implement the specific affirmative action standards provided in paragraphs 7 a through p of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the Contractor should reasonably be able to achieve in each construction trade in which it has employees in the covered area. Covered construction Contractors performing construction work in geographical areas where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs office or from Federal procurement contracting officers. The Contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.
5. Neither the provisions of any collective bargaining agreement, nor the failure by a union with whom the Contractor has a collective bargaining agreement, to refer either minorities or women shall excuse the Contractor's obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.
6. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the Contractor during the training period, and the Contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the U. S. Department of Labor.

7. The Contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the Contractor's compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The Contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:
- a. Ensure and maintain a working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the Contractor's employees are assigned to work. The Contractor, where possible, shall assign two or more women to each construction project. The Contractor shall specifically ensure that all foreman, superintendents and other on-site supervisory personnel are aware of and carry out the Contractor's obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites in such facilities.
 - b. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the Contractor or its unions have employment opportunities available, and maintain a record of the organizations' responses.
 - c. Maintain a current file of the names, addresses and telephone numbers of each minority and female off the street applicant and minority or female referral from a union, a recruitment source or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for referral and was not referred back to the Contractor by the union, or if referred, not employed by the Contractor, this shall be documented in the file with the reason therefore, along with whatever additional actions the Contractor may have taken.
 - d. Provide immediate written notification to the Director when the union or unions which the Contractor has a collective bargaining agreement has not referred to the Contractor a minority person or women sent by the Contractor, or when the Contractor has other information that the union referral process has impeded the Contractor's efforts to meet its obligations.
 - e. Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the Contractor's employment needs, especially those programs funded or approved by the Department of Labor. The Contractor shall provide notice of these programs to the sources compiled under 7b above.
 - f. Disseminate the Contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the Contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper or annual report; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.
 - g. Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions including specific review of these items with onsite supervisory personnel such as Superintendents and General Foremen prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed and disposition of the subject matter.
 - h. Disseminate the Contractor's EEO policy externally by including in any news media advertisement that the Contractor is "An Equal Opportunity Employer" for minority and female,

and providing written notification to and discussing the Contractor's EEO policy with other Contractors and Subcontractors with whom the Contractor does or anticipates doing business.

- i. Directs its recruitment efforts, both oral and written, to minority, female and community organizations, to schools with minority and female students and to minority and recruitment and training organizations serving the Contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by recruitment source, the Contractor shall send written notification to organizations such as the above, describing the openings, screening procedures and tests to be used in the selection process.
 - j. Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer and vacation employment to minority and female youth both on the site and in other areas of Contractor's workforce.
 - k. Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3.
 - l. Conduct, at least annually, an inventory and evaluation of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for such opportunities through appropriate training or other means.
 - m. Ensure that seniority practices, job classifications, work assignments and other personnel practices, do not have a discriminatory effect by continually monitoring all personnel and employment related activities to ensure that the EEO policy and the Contractor's obligations under these specifications are being carried out.
 - n. Ensure that all facilities and company activities are nonsegregated, except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.
 - o. Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.
 - p. Conduct a review, at least annually, of all supervisors' adherence to and performance under the Contractor's EEO policies and affirmative action obligations.
8. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations (7a through p). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 7a through p of these Specifications provided that the contractor actively participates in the group, makes every effort to assure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the Contractor's minority and female workforce participation, makes a good faith effort to meet its individual goals and timetables and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the Contractor. The obligation to comply, however, is the Contractor's and failure of such a group to fulfill an obligation shall not be a defense for the Contractor's noncompliance.
9. Goals for women have been established. However, the Contractor IS required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female and all women, both minority and non-minority. Consequently, the Contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner, that is even though the Contractor has achieved its goals for women, the Contractor may be in violation of the Executive Order if a specific minority group of women is underutilized.

10. The Contractor shall not use the goals and timetables or affirmative action standards to discriminate against any person because of race, color, religion, sex or nation origin.
11. The Contractor shall not enter into any Subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.
12. The Contractor shall carry out such sanctions and penalties for violation of these specifications and the Equal Opportunity Clause, including suspension, termination and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations by the Office of Federal Contract Compliance Programs. Any Contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.
13. The Contractor, in fulfilling its obligations under these specifications shall implement specific affirmative action steps, at least as extensive as those standards prescribed in paragraph 7 of these specifications, so as to achieve maximum results from Its efforts to ensure equal employment opportunity. If the Contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the Director will proceed in accordance with 41 CFR 60-4.8.
14. The Contractor shall designate and make known to the Department a responsible official as the EEO Officer to monitor all employment related activity, to ensure that the company EEO policy is being carried out, to submit reports relating to the provisions hereof as may be required by the Government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, Contractors will not be required to maintain separate records.
15. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

ATTACHMENT A

Economic Area

Goal (Percent)

Virginia:

021 Roanoke-Lynchburg, VA

SMSA Counties:

4640 Lynchburg, VA 19.3
 VA Amherst; VA Appomattox; VA Campbell; VA Lynchburg.

6800 Roanoke, VA 10.2
 VA Botetourt; VA Craig; VA Roanoke; VA Roanoke City; VA Salem

Non-SMSA Counties. 12.0

VA Alleghany; VA Augusta; VA Bath; VA Bedford; VA Bland; VA Carroll;
 VA Floyd; VA Franklin; VA Giles; VA Grayson; VA Henry; VA Highland;
 VA Montgomery; VA Nelson; VA Patrick; VA Pittsylvania; VA Pulaski;
 VA Rockbridge; VA Rockingham; VA Wythe; VA Bedford City; VA Buena Vista;
 VA Clifton Forge; VA Covington; VA Danville; VA Galax; VA Harrisonburg;
 VA Lexington; VA Martinsville; VA Radford; VA Staunton; VA Waynesboro;
 WV Pendleton.

022 Richmond, VA:

SMSA Counties:	
6140 Petersburg - Colonial Heights - Hopewell, VA	30.6
VA Dinwiddie; VA Prince George; VA Colonial Heights; VA Hopewell; VA Petersburg.	
6760 Richmond, VA.....	24.9
VA Charles City; VA Chesterfield; VA Goochland, VA Hanover; VA Henrico; VA New Kent; VA Powhatan; VA Richmond.	
Non-SMSA Counties	27.9
VA Albermarle; VA Amelia; VA Brunswick; VA Buckingham, VA Caroline; VA Charlotte; VA Cumberland; VA Essex; VA Fluvanna; VA Greene; VA Greensville; VA Halifax; VA King and Queen; VA King William; VA Lancaster; VA Louisa; VA Lunenburg; VA Madison; VA .Mecklenburg; VA Northumberland; VA Nottoway; VA Orange; VA Prince Edward; VA Richmond VA Sussex; VA Charlottesville; VA Emporia; VA South Boston	
023 Norfolk - Virginia Beach - Newport News VA:	
SMSA Counties:	
5680 Newport News- Hampton, VA	27.1
VA Gloucester; VA James City; VA York; VA Hampton; VA Newport News; VA Williamsburg.	
5720 Norfolk - Virginia Beach - Portsmouth, VA - NC	26.6
NC Currituck; VA Chesapeake; VA Norfolk; VA Portsmouth; VA Suffolk; VA Virginia Beach.	
Non-SMSA Counties	29.7
NC Bertie; NC Camden; NC Chowan; ,NC Gates; NC Hertford; NC Pasquotank; NC Perquimans; VA Isle of Wight; VA Matthews; VA Middlesex; VA Southampton;VA Surry; VA Franklin.	
Washington, DC:	
020 Washington, DC.	
SMSA Counties:	
8840 Washington, DC - MD - VA	28.0
DC District of Columbia; MD Charles; MD Montgomery MD Prince Georges; VA Arlington; VA Fairfax; VA Loudoun; VA Prince William VA Alexandria; VA Fairfax City; VA Falls Church.	
Non- SMSA Counties	25.2
MD Calvert; MD Frederick; MD St. Marys; MD Washington; VA Clarke; VA Culpeper; VA Fauquier; VA Frederick; VA King George; VA Page; VA Rappahannock; VA Shennandoah; VA Spottsylvania; VA Stafford; VA Warren; VA Westmoreland; VA Fredericksburg; VA Winchester WV Berkeley; WV Grant; WV Hampshire; WV Hardy; WV Jefferson; WV Morgan.	
Tennessee:	
052 Johnson City - Kingsport - Bristol, TN - VA	
SMSA Counties:	
3630 Johnson City - Kingsport -Bristol, TN-VA.....	2.6
TN Carter; TN Hawkins; TN Sullivan; TN Washington; VA Scott: VA Washington;VA Bristol.	
Non-SMSA Counties	3.2
TN Greene; TN Johnson; VA Buchanan;VA Dickenson; Va Lee; VA Russell; VA Smyth; VA Tazewell; VA Wise; VA Norton; WV McDowell; WV Mercer.	
Maryland	
019 Baltimore MD:	
Non-SMSA Counties	23.6
MD Caroline; MD Dorchester; MD Kent; MD Queen Annes; MD Somerset; MD Talbot; MD Wicomico; MD Worchester; VA Accomack; VA Northampton.	

REQUIRED CONTRACT PROVISIONS FEDERAL-AID CONSTRUCTION CONTRACTS

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ATTACHMENTS

A. Employment Preference for Appalachian Contracts (included in Appalachian contracts only)

I. GENERAL

1. These contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendent and to all work performed on the contract by piecework, station work, or by subcontract.

2. Except as otherwise provided for in each section, the contractor shall insert in each subcontract all of the stipulations contained in these Required Contract Provisions, and further require their inclusion in any lower tier subcontract or purchase order that may in turn be made. The Required Contract Provisions shall not be incorporated by reference in any case. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with these Required Contract Provisions.

3. A breach of any of the stipulations contained in these Required Contract Provisions shall be sufficient grounds for termination of the contract.

4. A breach of the following clauses of the Required Contract Provisions may also be grounds for debarment as provided in 29 CFR 5.12:

Section I, paragraph 2;
Section IV, paragraphs 1, 2, 3, 4, and 7;
Section V, paragraphs 1 and 2a through 2g.

5. Disputes arising out of the labor standards provisions of Section IV (except paragraph 5) and Section V of these Required Contract Provisions shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the U.S. Department of Labor (DOL) as set forth in 29 CFR 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the DOL, or the contractor's employees or their representatives.

6. **Selection of Labor:** During the performance of this contract, the contractor shall not:

a. discriminate against labor from any other State, possession, or territory of the United States (except for employment preference for Appalachian contracts, when applicable, as specified in Attachment A), or

b. employ convict labor for any purpose within the limits of the project unless it is labor performed by convicts who are on parole, supervised release, or probation.

II. NONDISCRIMINATION

(Applicable to all Federal-aid construction contracts and to all related subcontracts of \$10,000 or more.)

1. **Equal Employment Opportunity:** Equal employment opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (28 CFR 35, 29 CFR 1630 and 41 CFR 60) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140 shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The Equal Opportunity Construction Contract Specifications set forth under 41 CFR 60-4.3 and the provisions of the American Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR 35 and 29 CFR 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the State highway agency (SHA) and the Federal Government in carrying out EEO obligations and in their review of his/her activities under the contract.

b. The contractor will accept as his operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, national origin, age or disability. Such action shall include: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship, preapprenticeship, and/or on-the-job training."

2. **EEO Officer:** The contractor will designate and make known to the SHA contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active contractor program of EEO and who must be assigned adequate authority and responsibility to do so.

3. **Dissemination of Policy:** All members of the contractor's staff who are to hire, supervise, promote, and discharge employees, or who recommend such action, or who are substantially involved in such action, will be made fully cognizant of, and will implement, the contractor's EEO policy and contractual will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minority group employees.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

4. **Recruitment:** When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minority groups in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minority group applicants. To meet this requirement, the contractor will identify sources of potential minority group employees, and establish with such identified sources procedures whereby minority group applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, he is expected to observe the provisions of that agreement to the extent that the system permits the contractor's compliance with EEO contract provisions. (The DOL has held that where implementation of such agreements have the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Executive Order 11246, as amended.)

c. The contractor will encourage his present employees to refer minority group applicants for employment. Information and procedures with regard to referring minority group applicants will be discussed with employees.

5. **Personnel Actions:** Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to insure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with his obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of his avenues of appeal.

6. **Training and Promotion:**

a. The contractor will assist in locating, qualifying, and increasing the skills of minority group and women employees, and applicants for employment.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs, i.e., apprenticeship, and on-the-job training programs for the geographical area of contract performance. Where feasible, 25 percent of apprentices or trainees in each occupation shall be in their first year of apprenticeship or training. In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision.

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of minority group and women employees and will encourage eligible employees to apply for such training and promotion.

7. Unions: If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use his/her best efforts to obtain the cooperation of such unions to increase opportunities for minority groups and women within the unions, and to effect referrals by such unions of minority and female employees. Actions by the contractor either directly or through a contractor's association acting as agent will include the procedures set forth below:

a. The contractor will use best efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minority group members and women for membership in the unions and increasing the skills of minority group employees and women so that they may qualify for higher paying employment.

b. The contractor will use best efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, national origin, age or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the SHA and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of minority and women referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, national origin, age or disability; making full efforts to obtain qualified and/or qualifiable minority group persons and women. (The DOL has held that it shall be no excuse that the union with which the contractor has a collective bargaining agreement providing for exclusive referral failed to refer minority employees.) In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the SHA.

8. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment: The contractor shall not discriminate on the grounds of race, color, religion, sex, national origin, age or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment.

a. The contractor shall notify all potential subcontractors and suppliers of his/her EEO obligations under this contract.

b. Disadvantaged business enterprises (DBE), as defined in 49 CFR 23, shall have equal opportunity to compete for and perform subcontracts which the contractor enters into pursuant to this contract. The contractor will use his best efforts to solicit bids from and to utilize DBE subcontractors or subcontractors with meaningful minority group and female representation among their employees. Contractors shall obtain lists of DBE construction firms from SHA personnel.

c. The contractor will use his best efforts to ensure subcontractor compliance with their EEO obligations.

9. Records and Reports: The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following completion of the contract work and shall be available at reasonable times and places for inspection by authorized representatives of the SHA and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women;

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minority and female employees; and

(4) The progress and efforts being made in securing the services of DBE subcontractors or subcontractors with meaningful minority and female representation among their employees.

b. The contractors will submit an annual report to the SHA each July for the duration of the project, indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. If on-the job training is being required by special provision, the contractor will be required to collect and report training data.

III. NONSEGREGATED FACILITIES

(Applicable to all Federal-aid construction contracts and to all related subcontracts of \$10,000 or more.)

a. By submission of this bid, the execution of this contract or subcontract, or the consummation of this material supply agreement or purchase order, as appropriate, the bidder, Federal-aid construction contractor, subcontractor, material supplier, or vendor, as appropriate, certifies that the firm does not maintain or provide for its employees any segregated facilities at any of its establishments, and that the firm does not permit its employees to perform their services at any location, under its control, where segregated facilities are maintained. The firm agrees that a breach of this certification is a violation of the EEO provisions of this contract. The firm further certifies that no employee will be denied access to adequate facilities on the basis of sex or disability.

b. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, timeclocks, locker rooms, and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive, or are, in fact, segregated on the basis of race, color, religion, national origin, age or disability, because of habit, local custom, or otherwise. The only exception will be for the disabled when the demands for accessibility override (e.g. disabled parking).

c. The contractor agrees that it has obtained or will obtain identical certification from proposed subcontractors or material suppliers prior to award of subcontracts or consummation of material supply agreements of \$10,000 or more and that it will retain such certifications in its files.

IV. PAYMENT OF PREDETERMINED MINIMUM WAGE

(Applicable to all Federal-aid construction contracts exceeding \$2,000 and to all related subcontracts, except for projects located on roadways classified as local roads or rural minor collectors, which are exempt.)

1. General:

a. All mechanics and laborers employed or working upon the site of the work will be paid unconditionally and not less often than once a week and without subsequent deduction or rebate on any account [except such payroll deductions as are permitted by regulations (29 CFR 3) issued by the Secretary of Labor under the Copeland Act (40 U.S.C. 276c)] the full amounts of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment. The payment shall be computed at wage rates not less than those contained in the wage determination of the Secretary of Labor (hereinafter "the wage determination") which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor or its subcontractors and such laborers and mechanics. The wage determination (including any additional classifications and wage rates conformed under paragraph 2 of this Section IV and the DOL poster (WH-1321) or Form FHWA-1495) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers. For the purpose of this Section, contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act (40 U.S.C. 276a) on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of Section IV, paragraph 3b, hereof. Also, for the purpose of this Section, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in paragraphs 4 and 5 of this Section IV.

b. Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein, provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed.

c. All rulings and interpretations of the Davis-Bacon Act and related acts contained in 29 CFR 1, 3, and 5 are herein incorporated by reference in this contract.

2. Classification:

a. The SHA contracting officer shall require that any class of laborers or mechanics employed under the contract, which is not listed in the wage determination, shall be classified in conformance with the wage determination.

b. The contracting officer shall approve an additional classification, wage rate and fringe benefits only when the following criteria have been met:

(1) the work to be performed by the additional classification requested is not performed by a classification in the wage determination;

(2) the additional classification is utilized in the area by the construction industry;

(3) the proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination; and

(4) with respect to helpers, when such a classification prevails in the area in which the work is performed.

c. If the contractor or subcontractors, as appropriate, the laborers and mechanics (if known) to be employed in the additional classification or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the DOL, Administrator of the Wage and Hour Division, Employment Standards Administration, Washington, D.C. 20210. The Wage and Hour Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

d. In the event the contractor or subcontractors, as appropriate, the laborers or mechanics to be employed in the additional classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Wage and Hour Administrator for determination. Said Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary

e. The wage rate (including fringe benefits where appropriate) determined pursuant to paragraph 2c or 2d of this Section IV shall be paid to all workers performing work in the additional classification from the first day on which work is performed in the classification.

3. Payment of Fringe Benefits:

a. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor or subcontractors, as appropriate, shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly case equivalent thereof.

b. If the contractor or subcontractor, as appropriate, does not make payments to a trustee or other third person, he/she may consider as a part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, provided, that the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

4. Apprentices and Trainees (Programs of U.S. DOL) and Helpers:

a. Apprentices:

(1) Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the DOL, Employment and Training Administration, Bureau of Apprenticeship and Training, or with a State apprenticeship agency recognized by the Bureau, or if a person is employed in his/her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State apprenticeship agency (where appropriate) to be eligible for probationary employment as an apprentice.

(2) The allowable ratio of apprentices to journeyman-level employees on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any employee listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate listed in the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor or

subcontractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman-level hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

(3) Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeyman-level hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator for the Wage and Hour Division determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

(4) In the event the Bureau of Apprenticeship and Training, or a State apprenticeship agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor or subcontractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the comparable work performed by regular employees until an acceptable program is approved.

b. Trainees:

(1) Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the DOL, Employment and Training Administration.

(2) The ratio of trainees to journeyman-level employees on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

(3) Every trainee must be paid at not less than the rate specified in the approved program for his/her level of progress, expressed as a percentage of the journeyman-level hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman-level wage rate on the wage determination which provides for less than full fringe benefits for apprentices, in which case such trainees shall receive the same fringe benefits as apprentices.

(4) In the event the Employment and Training Administration withdraws approval of a training program, the contractor or subcontractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Helpers:

Helpers will be permitted to work on a project if the helper classification is specified and defined on the applicable wage determination or is approved pursuant to the conformance procedure set forth in Section IV.2. Any worker listed on a payroll at a helper wage rate, who is not a helper under a approved definition, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed.

5. Apprentices and Trainees (Programs of the U.S. DOT):

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

6. Withholding:

The SHA shall upon its own action or upon written request of an authorized representative of the DOL withhold, or cause to be withheld, from the contractor or subcontractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements which is held by the same prime contractor, as much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the SHA contracting officer may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

7. Overtime Requirements:

No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers, mechanics, watchmen, or guards (including apprentices, trainees, and helpers described in paragraphs 4 and 5 above) shall require or permit any laborer, mechanic, watchman, or guard in any workweek in which he/she is employed on such work, to work in excess of 40 hours in such workweek unless such laborer, mechanic, watchman, or guard receives compensation at a rate not less than one-and-one-half times his/her basic rate of pay for all hours worked in excess of 40 hours in such workweek.

8. Violation:

Liability for Unpaid Wages; Liquidated Damages: In the event of any violation of the clause set forth in paragraph 7 above, the contractor and any subcontractor responsible thereof shall be liable to the affected employee for his/her unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory) for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer, mechanic, watchman, or guard employed in violation of the clause set forth in paragraph 7, in the sum of \$10 for each calendar day on which such employee was required or permitted to work in excess of the standard work week of 40 hours without payment of the overtime wages required by the clause set forth in paragraph 7.

9. Withholding for Unpaid Wages and Liquidated Damages:

The SHA shall upon its own action or upon written request of any authorized representative of the DOL withhold, or cause to be withheld, from any monies payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 8 above.

V. STATEMENTS AND PAYROLLS

(Applicable to all Federal-aid construction contracts exceeding \$2,000 and to all related subcontracts, except for projects located on roadways classified as local roads or rural collectors, which are exempt.)

1. Compliance with Copeland Regulations (29 CFR 3):

The contractor shall comply with the Copeland Regulations of the Secretary of Labor which are herein incorporated by reference.

2. Payrolls and Payroll Records:

a. Payrolls and basic records relating thereto shall be maintained by the contractor and each subcontractor during the course of the work and preserved for a period of 3 years from the date of completion of the contract for all laborers, mechanics, apprentices, trainees, watchmen, helpers, and guards working at the site of the work.

b. The payroll records shall contain the name, social security number, and address of each such employee; his or her correct classification; hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalent thereof the types described in Section 1(b)(2)(B) of the Davis Bacon Act); daily and weekly number of hours worked; deductions made; and actual wages paid. In addition, for Appalachian contracts, the payroll records shall contain a notation indicating whether the employee does, or does not, normally reside in the labor area as defined in Attachment A, paragraph 1. Whenever the Secretary of Labor, pursuant to Section IV, paragraph 3b, has found that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis Bacon Act, the contractor and each subcontractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, that the plan or program has been communicated in writing to the laborers or mechanics affected, and show the cost anticipated or the actual cost incurred in providing benefits. Contractors or subcontractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprentices and trainees, and ratios and wage rates prescribed in the applicable programs.

c. Each contractor and subcontractor shall furnish, each week in which any contract work is performed, to the SHA resident engineer a payroll of wages paid each of its employees (including apprentices, trainees, and helpers, described in Section IV, paragraphs 4 and 5, and watchmen and guards engaged on work during the preceding weekly payroll period). The payroll submitted shall set out accurately and completely all of the information required to be maintained under paragraph 2b of this Section V. This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal stock number 029-005-0014-1), U.S. Government Printing Office, Washington, D.C. 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors.

d. Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his/her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) that the payroll for the payroll period contains the information required to be maintained under paragraph 2b of this Section V and that such information is correct and complete;

(2) that such laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in the Regulations, 29 CFR 3;

(3) that each laborer or mechanic has been paid not less than the applicable wage rate and fringe benefits or cash equivalent for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

e. The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 2d of this Section V.

f. The falsification of any of the above certifications may subject the contractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 231.

g. The contractor or subcontractor shall make the records required under paragraph 2b of this Section V available for inspection, copying, or transcription by authorized representatives of the SHA, the FHWA, or the DOL, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the SHA, the FHWA, the DOL, or all may, after written notice to the contractor, sponsor, applicant, or owner, take such actions as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

VI. RECORD OF MATERIALS, SUPPLIES, AND LABOR

1. On all Federal-aid contracts on the National Highway System, except those which provide solely for the installation of protective devices at railroad grade crossings, those which are constructed on a force account or direct labor basis, highway beautification contracts, and contracts for which the total final construction cost for roadway and bridge is less than \$1,000,000 (23 CFR 635) the contractor shall:

a. Become familiar with the list of specific materials and supplies contained in Form FHWA-47, "Statement of Materials and Labor Used by Contractor of Highway Construction Involving Federal Funds," prior to the commencement of work under this contract.

b. Maintain a record of the total cost of all materials and supplies purchased for and incorporated in the work, and also of the quantities of those specific materials and supplies listed on Form FHWA-47, and in the units shown on Form FHWA-47.

c. Furnish, upon the completion of the contract, to the SHA resident engineer on Form FHWA-47 together with the data required in paragraph 1b relative to materials and supplies, a final labor summary of all contract work indicating the total hours worked and the total amount earned.

2. At the prime contractor's option, either a single report covering all contract work or separate reports for the contractor and for each subcontract shall be submitted.

VII. SUBLETTING OR ASSIGNING THE CONTRACT

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the State. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635).

a. "Its own organization" shall be construed to include only workers employed and paid directly by the prime contractor and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor, assignee, or agent of the prime contractor.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified

representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 1, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined not more than \$10,000 or imprisoned not more than 5 years or both."

X. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT

(Applicable to all Federal-aid construction contracts and to all related subcontracts of \$100,000 or more.)

By submission of this bid or the execution of this contract, or subcontract, as appropriate, the bidder, Federal-aid construction contractor, or subcontractor, as appropriate, will be deemed to have stipulated as follows:

1. That any facility that is or will be utilized in the performance of this contract, unless such contract is exempt under the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by Pub.L. 91-604), and under the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq., as amended by Pub.L. 92-500), Executive Order 11738, and regulations in implementation thereof (40 CFR 15) is not listed, on the date of contract award, on the U.S. Environmental Protection Agency (EPA) List of Violating Facilities pursuant to 40 CFR 15.20.

2. That the firm agrees to comply and remain in compliance with all the requirements of Section 114 of the Clean Air Act and Section 308 of the Federal Water Pollution Control Act and all regulations and guidelines listed thereunder.

3. That the firm shall promptly notify the SHA of the receipt of any communication from the Director, Office of Federal Activities, EPA, indicating that a facility that is or will be utilized for the contract is under consideration to be listed on the EPA List of Violating Facilities.

4. That the firm agrees to include or cause to be included the requirements of paragraph 1 through 4 of this Section X in every nonexempt subcontract, and further agrees to take such action as the government may direct as a means of enforcing such requirements.

XI. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION

1. Instructions for Certification - Primary Covered Transactions:

(Applicable to all Federal-aid contracts - 49 CFR 29)

a. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.

and expected to bid on the contract as a whole and in general are to be limited to minor components of the overall contract.

2. The contract amount upon which the requirements set forth in paragraph 1 of Section VII is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. The contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the SHA contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the SHA contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the SHA has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract.

VIII. SAFETY: ACCIDENT PREVENTION

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the SHA contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333).

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 333).

IX. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, the following notice shall be posted on each Federal-aid highway project (23 CFR 635) in one or more places where it is readily available to all persons concerned with the project: **NOTICE TO ALL PERSONNEL ENGAGED ON FEDERAL-AID HIGHWAY PROJECTS**

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause of default.

d. The prospective primary participant shall provide immediate written notice to the department or agency to whom this proposal is submitted if any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is submitted for assistance in obtaining a copy of those regulations.

f. The prospective primary participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

g. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the nonprocurement portion of the "Lists of Parties Excluded From Federal Procurement or Nonprocurement Programs" (Nonprocurement List) which is compiled by the General Services Administration.

i. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph f of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

* * * * *

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Primary Covered Transactions

1. The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;

b. Have not within a 3-year period preceding this proposal been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph 1b of this certification; and

d. Have not within a 3-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

* * * * *

2. Instructions for Certification - Lower Tier Covered Transactions:

(Applicable to all subcontracts, purchase orders and other lower tier transactions of \$25,000 or more - 49 CFR 29)

a. By signing and submitting this proposal, the prospective lower tier is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "primary covered transaction," "participant," "person," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from

participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

* * * * *

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier Covered Transactions:

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

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XII. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING

(Applicable to all Federal-aid construction contracts and to all related subcontracts which exceed \$100,000 - 49 CFR 20)

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

3. The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed \$100,000 and that all such recipients shall certify and disclose accordingly.